



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 18-Jan-2019 | Report No: PIDISDSA20118



BASIC INFORMATION

A. Basic Project Data

Country India	Project ID P159808	Project Name Amaravati Sustainable Infrastructure and Institutional Development Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 21-Jan-2019	Estimated Board Date 06-Mar-2019	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Government of Andhra Pradesh	Implementing Agency Andhra Pradesh Capital Region Development Authority (APCRDA)	

Proposed Development Objective(s)

The project development 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.

Components

- Integrated Urban Infrastructure and Services
- Climate Resilient Infrastructure
- Citizen Benefit Sharing
- Institutional and Fiscal Development
- Project Management and Implementation Support

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	715.00
Total Financing	715.00
of which IBRD/IDA	300.00
Financing Gap	0.00

DETAILS



World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	300.00
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Non-World Bank Group Financing

Counterpart Funding	215.00
Borrower/Recipient	215.00
Other Sources	200.00
Asian Infrastructure Investment Bank	200.00

Environmental Assessment Category

A-Full Assessment

Decision

Other Decision (as needed)

B. Introduction and Context

Country Context

1. India achieved middle-income status in the mid-2000s and continues to be the world’s fastest growing major economy. The country’s rapid economic growth is being accompanied by an unprecedented urban and spatial transformation.
2. Since the 2000s, India has made remarkable progress in reducing absolute poverty. Between FY2011/12 and 2015, poverty declined from 21.6 to an estimated 13.4 percent at the international poverty line (2011 PPP US\$ 1.90 per person per day), continuing the earlier trend of robust reduction in poverty. robust economic growth, more than 90 million people escaped extreme poverty and improved their living standards during this period. Despite this success, poverty remains widespread in India. In 2015, with the latest estimates, 176 million Indians were living in extreme poverty while 659 million, or half the population, were below the higher poverty line commonly used for lower middle-income countries (2011 PPP US\$ 3.20 per person per day). Recent trends in the construction sector and rural wages, a major source of employment for the poorer households, suggest that the pace of poverty eradication may have moderated.



3. India has seen since 2001 an absolute growth in urban population, which is expected to exceed 600 million people in 2030.¹ This massive urban transformation has defined one of India's fundamental development challenges — to provide housing, urban services, employment opportunities, and a decent quality of life for up to 10 million additional urban dwellers per year.² Currently, India's urbanization is largely taking place in a rapid and unplanned manner characterized by low-density sprawl, lack of basic infrastructure and inadequate access to essential services, which are mainly due to outdated land-use regulations, a low level of infrastructure investments, and dysfunctional land and housing markets are compounded by the lack of a regional planning framework to expand metropolitan areas into nearby villages and communities.

4. In June 2014, the Andhra Pradesh Reorganization Act divided the state into two, creating the new State of Telangana³ and requiring a new administrative center for Andhra Pradesh (AP)⁴. The resultant urban population in AP, after bifurcation was 14.6 million, constituting 29.6% of the total State population based on 2011 census. Urban development is a key priority for the Government of Andhra Pradesh (GoAP), and one of the seven State Missions launched by GoAP for achieving the State's vision. The GoAP chose a location of historical significance for the new Amaravati Capital City, based on the area's access to an extensive transportation network and skilled workforce, and its proximity to the Krishna River and major economic centers of Vijayawada and Guntur.

Sectoral and Institutional Context

5. Establishing a greenfield capital city offers an opportunity for a comprehensive approach to urban development, from upstream planning to implementation. The upfront planning approach will address typical bottlenecks to more productive and livable cities in India, where service provision lags considerably behind demand, resulting in retro-fitted urban service infrastructure. The planned approach can be a model for other cities as India continues to urbanize.

6. The development of a vibrant capital city will bring economic growth and employment opportunities as the area transforms from rural to urban. If the city is developed to its planned potential, employment markets will change over time from what used to be (primarily) agricultural labor to jobs in the service, manufacture, tourism and associated sectors. Income levels will rise as job markets change, a trend that already is apparent in the capital area. This will directly benefit women, who make up 70 percent of the agricultural labor force in the region.

7. A key challenge for the capital city will be to establish a robust governance structure and sufficient institutional capacity to ensure that the capital city development continues to be inclusive, with sustainable economic transformation. The city will need to: (i) lay the foundations for institutions that will implement the vision and adequately manage the city in a fiscally sustainable manner; and (ii) ensure that all residents of the capital city area, including the vulnerable, have access to opportunities to participate

¹The World's Cities in 2016: Data Booklet. United Nations, Department of Economic and Social Affairs, Population Division, 2016.

²Based on Urban Population, World Bank Data.

³Hyderabad became the capital for the state of Telangana.

⁴The Bank has an ongoing urban development project in AP, namely the Andhra Pradesh and Telangana Municipal Development Project which supports improvements in urban services and capacity of participating ULBs.



in the overall development of the region. The GoAP supports training and skill development programs to ensure that all residents (including the vulnerable, such as women and youth) are adequately prepared to access the opportunities of this economic transformation.

8. The GoAP has rolled out policies and programs to ensure an inclusive and sustainable transformation of the region. Specifically, the GoAP has:

- a. **Adopted an integrated, long-term Master Plan for a sustainable city.** Prepared with the assistance of the Government of Singapore, the Master Plan that includes land use and infrastructure for the Amaravati Capital City area became effective in February 2016. It foresees the phased development of a modern capital city expected to accommodate 3.55 million residents by 2050, envisioning efficient use of land, ample public spaces, good intra-city transport and connectivity, and high-quality infrastructure and service provision.

The Amaravati Capital City Master Plan's first phase, expected to span approximately 10 years, focuses on the construction of trunk infrastructure, including village upgrading, connectivity and flood management, while setting up the foundations for institutional organization and operations. The second phase, as the population of the capital city achieves a critical mass, will develop more advanced infrastructure such as a mass rapid transit system. By then, an elected local government is expected to manage and deliver municipal functions. The third phase envisions further investments and a governance structure for the management of the overall metropolitan capital region.

The goals and strategies of the Master Plan include: (i) world-class infrastructure with a focus on non-motorized transport and pedestrian access; (ii) land use that provides opportunities for jobs and homes; (iii) clean and green environment by leveraging natural assets; (iv) quality living by providing accessible facilities; (v) efficient resource management to support city growth; and (vi) building a strong identity and preserving its heritage.

- b. **Implemented an innovative land assembly approach.** The land area of 217 sq km, or about 54,000 acres, that Amaravati Capital City will occupy consisted primarily of agricultural land. Instead of direct land acquisition, the GoAP developed an innovative land assembly approach that includes different instruments: (i) a Land Pooling Scheme (LPS), involving the hand-over of rural land in exchange for a reduced area of urban land, along with a range of benefits and livelihood support measures; (ii) Negotiated Settlements (NS), which provide an option of negotiation (compensation involves, among other things, a land-for-land exchange rather than a cash exchange) to those losing land or structures in villages located within the perimeter of the new capital city⁵; and, for those who chose not to participate in the LPS, (iii) land acquisition through Eminent Domain using the Land Acquisition, Rehabilitation and

⁵ There are 29 habitations, including 25 villages within the perimeter of Amaravati Capital City, where landowners and landless workers used to reside (prior to the announcement of the city). To minimize displacement and to preserve some of the local traits, the Master Plan incorporates these villages to the fabric of the new city, with the provision of upgraded infrastructure and connectivity. Throughout the remainder of the document, these will be referred to as "25 villages".



Resettlement Act of 2013,⁶ (LARR), which provides compensation (replacement value and livelihood support) for land acquired.

- c. **Expanded scale of land pooling model.** Land pooling has been used in other cities in India (Bombay, Ahmedabad, Pune, Delhi) and around the world, but its use in Amaravati Capital City is one of the largest in scale. The LPS, underpinned by a vision and comprehensive Master Plan, was designed to ensure that residents of the capital city area don't merely receive compensation for their land, but become direct beneficiaries of the increasing land value as the capital city develops. Under the LPS, landowners who contribute their rural plots receive a package of optional benefits: (i) returnable plots⁷ of urban land within the Amaravati Capital City perimeter; (ii) annuity payments for a period of 10 years; and (iii) other benefits including the waiver of agricultural loans, skill training, interest-free loans for setting up enterprises, education and health benefits, food rations, and others. By early 2018, approximately 86 percent of 33,000 acres of private land required for the capital city had been assembled through the LPS, with the consent of more than 26,000 landowners. Participants remain as owners of urban land and stakeholders in the development of the state capital.
- d. **Put in place an inclusive benefit-sharing system.** The GoAP model seeks to maximize and distribute development benefits more equitably to all affected residents of the capital city area. Specifically:
- i. Landowners who joined the LPS have already benefited, according to land values of the urban plots they received, and will continue to benefit from increasing market values due to the change of classification from rural to urban (residential and commercial) and increasing access to infrastructure.⁸ Those who opted for NS or Land Acquisition under LARR are being compensated for the value of their land, structures and lost income, in accordance to the 2013 Act.
 - ii. Landless agricultural laborers in the area receive benefits intended to help restore their livelihoods to comparable or higher levels from before development of the

⁶ The LARR Act of 2013 provides flexibility to state governments to formulate alternative laws/policies that offer potentially higher compensations, as well as better rehabilitation and resettlement (R&R) benefits to people affected by land acquisition. The Government of Andhra Pradesh enacted the Andhra Pradesh Capital Region Development Authority Act of 2014 (APCRDA Act 2014), which incorporated the LPS as one of its sanctioned land management policies. In July 2018, the Andhra Pradesh Legislature modified several aspects of the LARR Act as it applies in the State, under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Andhra Pradesh Amendment) Act, 2018.

⁷ Returnable plots refer to plots of land that landowners have received in exchange for the land they contributed to the LPS.

⁸ The independent assessments of land assembly instruments reveal that LPS farmers tend to gain due to increase land values and that the value of 'returnable plots' of LPS farmers already exceeds the 'replacement cost' of lands contributed. Even though the area of *returnable plots* is smaller for private landowners than the agricultural land they contribute to the LPS (i.e. between 25 to 30 percent of the area of the original plot), through the change of classification from rural to urban (residential and commercial) and given the access to infrastructure. On average, in 2017, the value of land has appreciated by 2.7 times the local average rates for rural land through a combination of value of returnable urban land / plots (based on current government guideline rates of urban land). Based on market rates of land as of early 2018, the value received by LPS farmers would be substantially higher – as confirmed by data from 2018, with sales ranging from 7 to 28 times the estimated market value of rural lands that were contributed / surrendered for LPS.



capital city, and they also remain in the region to have access to a broader range of employment opportunities. As of July 15, 2018, the GoAP registered 21,374 landless households that received a combination of benefit options, including monthly pensions (INR 2,500 per family per month,⁹ transferred to the account of the woman head of household); access to guaranteed employment through a national rural employment guarantee scheme; training; health and education benefits, and others. Vocational training that focuses on urban trades (construction, greenery, masonry, electrician, nursery, housekeeping, basic computer skills, etc.) is targeted to youth and women.

A review of available data suggests that the average income level of landless households has increased since the start of the capital city development, and that people are accessing employment opportunities created by capital city works.¹⁰ The GoAP has put in place monitoring measures for the identified vulnerable landless households (857 out of the 21,374) that could face challenges accessing all eligible benefits.¹¹ These measures would allow the government to monitor the status of the vulnerable landless households, and to deploy safety net programs as needed.

- e. **Established a Capital City development agency.** The Andhra Pradesh Capital Region Development Authority (APCRDA), supported by the Amaravati Development Corporation (ADC), has been charged with planning and overseeing the first phase of the development of Amaravati Capital City. Under the Master Plan, the Amaravati local government will be established in the short- to medium-term, initially with an appointed council and seconded staff from APCRDA. An elected local government will then take over. The APCRDA is expected to remain the planning body for the capital region in the long term.
- f. **Moved the interim AP government to Amaravati Capital City, as a catalyst for growth.** The move signaled the GoAP's commitment to the vision of the development and the high priority of launching the first phase.

9. The first phase of the Capital City's development is expected to require \$6-7 billion over the next 10 years. The GoAP has taken a multi-pronged approach to meet the investment needs, including (i) a

⁹ The Resettlement Policy Framework includes a provision for annual adjustment of this amount.

¹⁰ A household survey carried out by APCRDA prior to LPS in 2015 recorded average family income among landless households as INR4,694. The subsequent social & economic survey carried out by APCRDA among agricultural laborers in 2017 showed average family income of INR8,476, and an independent assessment estimated INR9,636 based on village level wages gathered during focus group discussions.

¹¹ Data from consultations and field surveys conducted during project preparation showed that a share of landless laborers may be in a situation of high vulnerability. Measures in addition to those already in place to benefit all landless laborers have been designed and are being rolled out to address the needs of the vulnerable subset of landless laborer households, who need extra support to return to their levels prior to the announcement of the capital city. The following typologies of landless households were recognized as those at the highest risk: (i) families with woman as head of household including *inter alia* single women, widows; (ii) households where family members have physical disabilities; (iii) families with chronic diseases; (iv) households with aging family member who can no longer work (over 60 years old); (v) families with no alternative sources of income other than APCRDA pension; and (vi) families of Scheduled Castes/Scheduled Tribes whose sole source of income is APCRDA pensions. A total of 857 vulnerable landless families were identified by APCRDA in June - July 2018, living in the 25 villages of the Capital City area.



joint-venture that sought private investments and real estate developers to build an initial seven sq km of the Seed Area (Central Business District) within Amaravati Capital City; and, (ii) seeking a World Bank loan to complement the initial Seed Area development by investing in select urban infrastructure and supporting the institutional foundations needed to kick-start development of the broader Amaravati Capital City.

10. The proposed World Bank loan of \$300 million will focus on three strategic areas: (i) providing quality infrastructure to ensure that global knowledge is built into technical designs of major infrastructure investments; (ii) supporting the set-up of an institutional structure that can lead to the establishment of an empowered and effective local government; and, (iii) supporting an inclusive benefit-sharing system for all residents of the region.

11. The Bank will support the government by drawing on its global knowledge of inclusive and resilient development, urban infrastructure provision and local governance. A critical role for the Bank will be to help ensure that lessons from the GoAP's transformative initiative in Amaravati Capital City become available to other urbanizing areas in India and beyond.

Higher Level Objectives

12. The proposed project fully supports the World Bank Group's Country Partnership Framework (CPF) for India (FY2018-2022), which will focus on three broad areas that flow from the Systematic Country Diagnostic and government priorities: (i) resource efficient growth; (ii) competitiveness and creating jobs; and (iii) investing in human capital.

13. The proposed project will support the government of India's vision of empowering city governance structure in the long term through the 74th Constitutional Amendment Act (CAA) of 1992, which positioned urban local governments to become key institutions of political representation and service delivery. In addition, the project aligns closely with the Indian government's vision of the next phase of urban development in India and with India's Smart Cities (Amaravati Capital City is one of the newly included Smart Cities).

14.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

15. The PDO 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.



Key Results

16. Current residents and landless laborers (100,000) and future residents (estimated at 3.55 million in 2050) of Amaravati Capital City will benefit from access to improved urban services including connectivity, flood management and better urban infrastructure in villages. The APCRDA and ADC, as well as the institutions to be set up under the new Amaravati Capital City government, will benefit from the project's institutional development activities and technical assistance (TA).

17. Achievement of the PDO will be measured by: (i) the number of people provided with improved urban living conditions, gender disaggregated; (ii) the percentage of area within Amaravati Capital City made accessible through all season roads within a 500-meter range; (iii) the area provided with new/improved drainage to reduce flood risk; and, (iv) the development and adoption of an effective institutional (governance) framework.

D. Project Description

18. The proposed Amaravati Sustainable Infrastructure and Institutional Development Project (ASIIDP) comprises five components.

Component 1: Integrated Urban Infrastructure and Services – \$465 million

(Bank: \$184.1million, Asian Infrastructure Investment Bank (AIIB): \$122.7 million, GoAP: \$158.2 million)

19. 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: (i) 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: (a) construction of associated utility corridors (such as ducts for water, sewerage, drainage, communications) and sidewalks, cycling paths and street lighting; and (b) 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 (ii) 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.

Component 2: Climate-Resilient Infrastructure – \$175 million

(Bank: \$84.5 million, AIIB: \$56.2 million, GoAP: \$34.3 million)

20. 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: (i) improvement of the carrying capacity of 19.9 km of Kondaveeti Vagu and 16.7 km of Palavagu; (ii) construction of three new flood retention reservoirs within Amaravati Capital City to buffer the peak flood flows; (iii) construction of a pumping station at Undavalli; (iv) construction of a gravity escape regulator from Kondaveeti Vagu to Krishna Western Delta canal on the Eastern side of Amaravati Capital City; and (v) setting up of a flood early warning and monitoring systems.



21. The climate screening exercise conducted for this project highlighted flood related-risks for Amaravati Capital City. The design and preparation of this component incorporates climate-change considerations to mitigate extreme flooding levels and rainfall.

Component 3: Citizen Benefit Sharing – \$26 million

(Bank: \$10.9 million, AIIB: \$7.3 million, GoAP: \$7.8 million)

22. This component will support the GoAP's benefit-sharing measures for residents of Amaravati Capital City, including development and implementation of: (i) training programs for farmers, landless families and other stakeholders to prepare them for life in urban settings; (ii) skill-building programs for citizens to access jobs and new economic opportunities in an emerging urban context; (iii) financial literacy programs for vulnerable groups (such as women and youth); (iv) pilots to address needs of vulnerable groups on safety and transportation; and, (v) citizen engagement and participation tools.

Component 4: Institutional and Fiscal Development – \$28 million

(Bank: \$11.7 million, AIIB: \$7.9 million, GoAP: \$8.4 million)

23. The component will finance activities aimed at institutional development to: (i) support the development of institutional arrangements for the infrastructure financed under the project in the short term; (ii) 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; (iii) build capacities of staff from the Project Implementing Entity, Implementing Agencies and future utility companies, regulatory and enforcement agencies to perform their core functions, including development of sector policies and strategies; and (iv) 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.

Component 5: Project Management and Implementation Support – \$21 million

(Bank: \$8.8 million, AIIB: \$5.9 million, GoAP: \$6.3 million)

24. This component will support project management and implementation, including: (i) building of capacities to monitor and evaluate project activities, citizen engagement and citizen surveys interventions and grievance redress mechanisms; (ii) reviewing and supervising construction work; and, (iii) communication of project objectives and expected results.

E. Implementation

Institutional and Implementation Arrangements

25. **Implementation arrangements.** The agency responsible for developing Amaravati Capital City is APCRDA, a government authority constituted under the APCRDA Act (2014). The APCRDA is supported by the ADC, a corporate project implementation entity established by a government order. The APCRDA and



ADC are the nodal agencies charged with the responsibility for the overall monitoring and oversight of the project. Components 1 and 2, which comprise mainly civil works, will be implemented by the ADC. Components 3 and 4 will be implemented by the 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.

26. **Interim institutional arrangements.** Utility companies¹² will be established by the APCRDA for Amaravati Capital City (with appointed Boards, and management and staff initially seconded from the APCRDA and ADC) when Amaravati Capital City becomes sufficiently populated and infrastructure construction is underway. These entities will be transferred in due course to the future Amaravati Capital City local government. The O&M for roads will be structured as service contracts by the APCRDA (and by the local government once established), while the O&M of flood mitigation investments (the two vagus or streams, reservoirs and disposal into the river) will be the responsibility of the Andhra Pradesh Water Resources Department (APWRD) and the State's irrigation department, as is the current practice. In the long term, a formal institutional arrangement for flood control is proposed through a Capital Disaster Management Authority.

27. **Long-term institutional arrangements.** The details of the long-term governance structures will be finalized after a process of consultations and deliberations. It is envisaged that an elected Amaravati Capital City local government — the Amaravati City Council (ACC) — will be established by a separate act of the GoAP in the coming years.¹³ The ACC is expected to incorporate the councils and administrations of the current villages in the Amaravati Capital City area. Once the ACC is fully established and staffed, the utility companies will be transferred under its responsibility. A separate district administration may be established for Amaravati Capital City (at present the area is a part of Guntur District). The jurisdiction of the ACC will initially be the Amaravati Capital City area, but in the long term this may be expanded to adjacent areas, and eventually it may become a metropolitan government for the entire capital region. In the meantime, a Metropolitan Planning Committee, as per the 74th Amendment to the Constitution of India, may be formed for inter-jurisdictional planning and coordination in the Amaravati–Vijayawada–Guntur area. The APCRDA is currently fulfilling this function.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented within the 217.23 sq.km. area earmarked for development of the Amaravati Capital City (ACC) in the Guntur district of Andhra Pradesh state, spread across 25 villages in 3

¹² These may include separate or joint companies for water supply, wastewater, storm water and solid waste management, and possibly one for public transport. Currently city-level public transport in AP is managed by district-level Regional Transport Authorities (RTAs) under the AP State Road Transport Corporation (APSRTA).

¹³ Unless the ACC Act will provide for a directly elected mayor, the current practices in the State will likely be followed (the elected council will elect one of its members as mayor of the city for the term specified in the Act).



mandals (Thulluru, Mangalagiri and Tadepalli) of Guntur district. The 25 villages in the Capital City area have about a population of about 100,000 people. Situated on the southern banks of the river Krishna. The salient physical characteristics of this location, relevant to the safeguard analysis are (a) the river Krishna borders the ACC site to the North; (b) the Tadepalle Reserve Forest is located within the ACC site and occupies about 252 ha; (c) the Undavalli Rock-cut Cave Temple, an archeological monument, is located within the ACC area; (d) there are 25 villages within the site which are to be integrated into the ACC; (e) a thermal power station is located about 6 km from the northern fringe of the ACC site; and (f) there are no Protected Areas (national parks, wildlife sanctuaries, etc.) within a radius of 10 km from the ACC site; (g) the nearest cities are Vijayawada at a distance of 30 km and Guntur at a distance of 18 km. The economy of the capital city region is primarily driven by agriculture and some of the major crops grown are paddy, tobacco, cotton, pulses, and chilly (though currently, most of the land is fallow). The per capita income of the Capital region (INR89,039) is slightly higher than the state (INR85,797) and all India (INR80,388). The literacy rate is about 64%, which is more than the national average of 60%. Less than half of the population live in permanent houses and half of them have access to toilets.

G. Environmental and Social Safeguards Specialists on the Team

- I. U. B. Reddy, Social Specialist
- Sita Ramakrishna Addepalli, Environmental Specialist
- Sanjay Agarwal, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The proposed project involves green field development of urban infrastructure, including investments to support to city roads; upgrading of village infrastructure (such as internal water supply, drainage and village roads) and flood mitigation, as such it is categorized as Category A as per the OP 4.01 (Environmental Assessment)</p> <p>An Environmental Impact Assessment for the scope of entire capital city development was prepared by APCRDA in 2015 based on which the statutory Environmental Clearance (EC) was given for the ACC by the State Level Environmental Impact Assessment Authority in October 2015. This assessment was</p>



prepared prior to commencement of Bank's engagement with the proposed project.

Considering the fact that some of the ASIIDP investments are not known in detail at the time of project approval, and that they will be identified and designed during the course of project implementation, an Environmental and Social Management Framework (ESMF) has been chosen as the instrument for the Environmental Assessment (EA).

The ESMF has already been applied during project preparation by APCRDA for undertaking two Environmental Impact Assessments (EIAs) for the investments of 10 priority roads and the flood mitigation works.

Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	No	Based on the currently available information, no impacts are expected on natural habitats. There are no critical natural habitats in the ACC area. Hence, the policy has not been triggered.
Forests OP/BP 4.36	No	The ACC includes 251.77 hectares (Tadepalle Block) of Reserve Forests. The Capital City Master Plan categorizes the forest areas as 'Protected Area'. The investments to be financed under ASIIDP will be screened to ensure there is no involvement of forest land.
Pest Management OP 4.09	No	Project activities are not expected to trigger the OP 4.09, as there will be neither procurement of pesticides under the proposed project, nor potential for increased use of the same resulting from project activities.
Physical Cultural Resources OP/BP 4.11	Yes	The project area includes culturally significant sites such as religious structures, burial grounds, etc., that could be impacted during implementation. Also, an archeological monument (Undavalli Cave Temple) lies within the capital city area. The applicability of OP 4.11 is considered to facilitate effective management in the event of chance finds during project works, inclusion of relevant construction stage management measures, and, systematic monitoring to mitigate any impacts.



Indigenous Peoples OP/BP 4.10	No	In the project area, no tribal population is living in groups who exhibit the indigenous characteristics such as distinct culture group identified by themselves or outsiders, separate institutions governing their social systems, speak separate language and collective attachment to the geographical location, as described in OP 4.10- Indigenous Peoples. The Amaravati capacity city does not fall into the designated scheduled area.
Involuntary Resettlement OP/BP 4.12	Yes	Substantial amount of private land is required to implement the project components. The land is currently being / will be assembled or acquired through three land assembly instruments: (i) Land Pooling Scheme (LPS); (ii) land acquisition, or (iii) Negotiated Settlement Policy. Substantial physical displacement is also expected since some of the components will require land within villages. As of July 15, 2018, 21,374 households whose livelihoods were dependent on the lands pooled for the Capital City development are also considered affected people under the project. In view of these impacts, OP/BP 4.12 has been triggered and will be applicable to all lands that are assembled for the project through the 3 land assembly instruments.
Safety of Dams OP/BP 4.37	No	There are three dams upstream of Prakasam Barrage, which is located near Amaravati City on Krishna River in Andhra Pradesh. These include Srisailem Dam – 215 TMC, Nagarjuna Sagar Dam – 408 TMC, and Pulichintala Dam – 45 TMC. These are located at a distance of about 294 km, 200 km and 85 km, respectively from the Prakasam Barrage. The unlikely event of failure of these dams will not pose serious risk to the project supported infrastructure as the downstream dams have adequate storage and discharge capacities. Further, dam safety mechanisms are in place which render the event of dam failure unlikely. Considering this, OP 4.37 is not triggered.
Projects on International Waterways OP/BP 7.50	No	The project area does not involve any international waterways. Hence, OP 7.50 is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	The project area does not involve any disputed areas. Hence, OP 7.60 is not triggered.



KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

A. Environmental Issues: The key environmental issues concerning the ASIIDP include:

- Large scale conversion of agricultural land to non-agricultural use: The Capital City is being developed in an area that was largely agricultural. However, with the implementation of land assembly instruments, including Land Pooling Scheme, Negotiated Settlements and Land Acquisition, the predominant current land use is fallow land. In the future, as infrastructure investments in the capital city advance, the entire area is expected to urbanize, and will be developed in accordance to the Amaravati Master Plan.
- Flooding: Parts of the Capital City area is prone to flooding due to flash floods of a rivulet called Kondaveeti Vagu. The flood mitigation sub-component under ASIIDP is planned to address this issue.
- Protection of water bodies: Several small water bodies, used earlier as irrigation ponds, are present in the Capital City area. Conservation of these water bodies is a condition of the Environmental Clearance received for the Amaravati Capital City development and is planned as part of the Capital City Master Plan. World Bank financed investments under ASIIDP may involve some of these water bodies.
- Diversion of forest land: The proposal for diversion of forest land in the Capital City has been made to the Ministry of Environment Forests and Climate Change, Government of India. The Capital City Master Plan categorizes the forest areas as 'Protected Area'. The currently identified investments under ASIIDP have been screened, and it was confirmed that they do not involve any forest areas. Future investments under the ASIIDP will be similarly screened to ensure there is no diversion of forest land.

B. Environmental Impact. The potential environmental impact of the ASIIDP activities include both construction-related generic impacts and sub-component wise generic impacts such as:

- Impacts associated with construction activities such as borrow pits, impacts associated with disposal of construction debris, as well as public and worker safety issues.
- Poor infrastructure facilities at contractor labor camps (ventilation, water, sanitation, waste management, fuel safety, etc.).
- Loss of trees, water bodies and culturally significant structures falling within the alignment of linear infrastructure such as roads, pipelines, and canals.
- Generation of air, water and noise pollution during construction and operation of infrastructure such as roads, sewage treatment plants, landfill sites, flood water pumping stations, etc.
- Poor design, improper execution and mismanagement of infrastructure such as roads, upgraded village infrastructure, reservoirs and canals leading to pollution and public health impacts.

EIA for the 10 Priority Roads: The EA identified the following impacts: (i) removal of 849 trees; disposal of soil from excavation (4.8 million cubic meters [MCM]); (ii) generation of construction and demolition waste (2686.84 cubic meters); (iii) loss of 17.65 acres of water spread area across 39 water bodies; and (iv) other construction related impacts (e.g. land degradation at borrow sites, dust generation and vehicular air emissions, impacts associated with labor camp sites, etc.). An EMP was developed to address the impacts.



EIA for the Flood Mitigation Works: The flood mitigation works will finance improvements in the carrying capacity of Kondaveeti Vagu and Pala Vagu. The EA undertaken as part of sub-component preparation identified the following impacts: (i) 529 trees affected,; (ii) loss of top soil (0.475 MCM); (iii) disposal of soil from excavation (38.20 MCM) and associated impacts such as air and noise pollution, traffic impacts during carting of spoil, erosion of disposal sites, etc.; (iv) land degradation due to quarrying (0.111 MCM) of stone will be used for lining of reservoirs; (v) impact on 3 physical cultural sites including a private temple and two burial grounds; (vi) water intake from the Krishna River to the tune of 0.35 Thousand Million Cubic feet [TMC] out of the available 3 TMC (lean period), to maintain minimum water levels in the canals on bi-weekly basis; and (vii) other minor construction-related impacts.

C. Social safeguard Issues.

Land requirements and resettlement Impacts.

To develop Amaravati according to its Master Plan, the Government of Andhra Pradesh needs to assemble 217 sqkm of land. The land is being assembled using a combination of land management mechanisms, including: (i) Land Pooling Scheme, whereby land owners surrender their land in return for a smaller plot of urban, serviced land (returnable plot) in the Capital City area that is of higher value than the land relinquished, along with a range of livelihood support measures including inter alia an annuity, skill upgrading and support for setting up self-employed enterprises; (ii) Negotiated settlements, applicable only for land and assets within existing villages, whereby the Government and land owners agree on the terms of a compensation package that is consistent with the provisions of the 2013 Land Acquisition, Rehabilitation and Resettlement Act (LARR Act, 2013), but in which the compensation involves, among other things, a land-for-land exchange rather than a cash exchange, as well as relocation assistance; and, if neither of these first two mechanisms is successful, (iii) Land Acquisition via the 2013 LARR Act, by which compensation for land acquired (replacement value and livelihood support) is provided as per the requirements of the Land Acquisition Act. All such land management mechanisms, to the extent they are applied to land within the project, will be subject to the application of the World Bank Policy for Involuntary Resettlement (OP 4.12).

Land assembly will impact various categories of people including: (i) land owners (with titles) who will give up their land under LPS, LARR or Negotiated Settlements; (ii) landless tenants and agricultural wage laborers; (iii) farmers on government-assigned lands; and (iv) informal occupants of agricultural lands and land in villages. Among these, special attention is given to several vulnerable groups, including but not limited to: (i) women; (ii) aging populations; and (iii) scheduled castes/scheduled tribes. All those affected by the ASIIDP will be taken into consideration in the design of the project, in accordance with the Bank's policy objective that displaced people should be assisted to improve or at least restore their livelihoods.

D. Social safeguard impacts.

The key social impacts resulting from the ASIIDP include: (i) land-related impacts, i.e. physical and economic displacement of land owners in the Capital City area, as the land required for the development of the city was assembled; and (ii) livelihood impacts, especially on landless agriculture laborers and tenants who were dependent on land that is no longer available for cultivation. As of July 15, 2018, the total of number of landless households is 21,374.

The magnitude of land required for the project is not fully known since some of the components to be financed under the project are not yet finalized. The overall land assembled/acquired for the Amaravati city development is about 54,000 acres of land, of which 39,000 acres is private land impacting about 34,000 land owners and another 21,374



landless agricultural households living in the capital city area. As on date, the impacts for 10 out of 18 roads and 42 Km flood mitigation works are identified. These two components are estimated to require 2,133.9 acres of lands impacting about 3,933 land owning households and involve physical displacement of about 250 households (750 people approximately), and economic displacement of 25,307 households (76,000 people approximately, at 3 people per household on average). In addition, some of the community properties such as temples, burial grounds water ponds are also be affected. Overall, Bank project components are expected to utilize less than 10% of the land assembled for Amaravati city. The significant social issue is that all people living in the capital city area will lose their agricultural lands for capital city development project and thus are required to shift their economic activities from agriculture to non-farm based jobs. In addition, all those who are depending upon the agricultural land such as landless agricultural laborers and tenants will also be moving from agricultural based activities to non-farm based livelihood opportunities.

There can be some potential risks regarding women's safety and security arising out of Bank project interventions due to enhanced exposure to harassment and sexual violence for economically displaced female landless agricultural workers while traveling to work and sexual harassment at the construction sites of Bank funded contracts. Potential risks include: (i) enhanced exposure to harassment and sexual violence for economically displaced female landless agricultural workers while traveling to work; (ii) and sexual harassment at the construction sites of Bank-funded contracts. Given that the project entails lots of construction and movements of male workers, it could exacerbate risks of sexual exploitation and abuse of women and girls in the communities near construction sites and temporary housing or labor camps for male workers under Bank-funded contracts.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The indirect and/or long term impacts due to future activities in the project area include:

Construction of city roads will result in improved connectivity and could lead to increase in-migration into the ACC stressing the capacity of the planned infrastructure. Up-gradation of the village infrastructure will lead to enhanced environmental quality and living conditions in the habitations that are part of the ACC. However, increased in-migration may stress the capacity of the infrastructure and pose environmental risks such as increased water extraction, deterioration of water quality, etc. Investments in flood mitigation will result in controlling loss of life and property due to flash floods. The significant social impact is that all families living in the capital city area will lose their all cultivable lands within the Amaravati city and hence need to either shift their livelihood from agricultural based occupations to non-agricultural occupations or pursue agriculture in the neighboring districts using compensation received.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Alternatives will be analyzed individually for each sub-components during the design phase, to minimize adverse environmental impacts and these will be considered in the final design alternative of the respective sub-component. This will be carried out as part of the environmental assessment that will be done for the sub-components, as per the procedures agreed in the ESMF of the project.

Design alternatives for the Amaravati Capital City Development were deliberated and built in as part of the process of developing the city's Master Plan during: (i) the early stages of developing the Concept Plan; (ii) during the development of the Master Plan and (iii) during the implementation of the Master Plan (post-gazette). They were either incorporated as part of the design process, or as part of the feedback/consultation processes. For instance,



some of the physical displacements were minimized as a result of Master Plan consultations by modification of arterial and sub-arterial roads passing through the villages. Moreover, the Master Plan has conducted alternative analysis on the township models of different density distribution, i.e., linear and nodal densification patterns.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

A. Measures to address environmental impacts.

An Environmental and Social Management Framework (ESMF) has been developed by APCRDA for the management of the identified environmental & social issues, impacts and risks, and includes: (i) detailed procedures for environmental and social assessment of all investments under the project, (ii) details on the institutional roles and responsibilities for environmental and social management, (iii) strategy and plan for capacity building of key stakeholders, (iv) plan for monitoring the implementation of environmental and social safeguards, (v) strategy for public consultation.

All investments being supported under the ASIIDP will be subject to screening followed by the required level of environmental assessment (EA). As sub-components will have varying environmental impacts depending on their location and nature, as per the screening criteria defined in ESMF, the APCRDA has categorized them into different categories – E1, E2 and E3 – linked to the severity of impacts and regulatory requirements. E1 category sub-components require project specific EA by an independent agency, E2 category sub-components require project specific EA, and E3 category sub-components may have a generic Environmental Management Plan (EMP). Following EA, each sub-components will have an EMP that will provide an implementation plan for the required mitigation measures, a capacity building plan, as well as a monitoring plan and budget. The EMP will also describe the roles and responsibilities of the key institutions for its implementation.

The ESMF provides a generic EMP as guidance for preparation of sub-component specific EMPs. The generic EMP includes mitigation measures, timeframe for implementation, implementing agency and appropriate references to the contract documents. Mitigation measures to address environmental impacts outlined earlier include the following: (a) measures to ensure compliance with all regulatory requirements - including standards for air emissions, noise levels and waste water quality standards, including: water spraying and covering haulage for dust suppression, safe distance of construction plants from habitations, restriction on noise generating work during night, norms for equipment selection and maintenance, etc.; (b) soil erosion and sediment control measures including slope protection, top soil conservation, reuse of spoil for land leveling at identified locations, borrow area rehabilitation, silt fencing; (c) safe disposal of all wastes including construction and demolition wastes; (d) use of personal protection equipment by workers, and, facilities to ensure hygiene and safety at labor camps; (e) compensatory plantation of local tree species; (f) enhancement of water bodies; (g) compliance with regulatory requirements concerning sites of archeological and historical importance and chance find procedures. Residual issues after implementation of identified mitigation measures include loss of productive agricultural land, loss of large mature trees and partial loss of small water bodies.

EMP for the 10 Priority Roads: The key mitigation measures in the EMP include: (i) avenue plantation of 88,973 trees; (ii) disposal of excess spoil and construction/demolition wastes at identified disposal sites; (iii) provision for cross-drainage measures; (iv) energy efficient street lighting; (v) procurement of construction material only from permitted sites and licensed/authorized quarries; (vi) all construction vehicles and equipment to meet regulatory pollution control standards; (vii) proper siting of plant and provision of oil and grease removal tank to prevent pollution from oil and fuel spills; and (viii) other measures for mitigating construction related impacts. The draft EMP was disclosed



through the APCRDA website on March 4, 2017. Consultation workshops with affected communities were held on April 4, 2017, and on July 19 & 22, 2017. Given that the construction of the 10 priority roads started before the EMP was finalized, an in-process audit of the implementation of the draft EMP was conducted in March 2018. The audit provided a list of recommendations that are being implemented.

EMP for the Flood Mitigation Works: An EMP was developed to address the impacts, including impacts on physical cultural sites. The mitigation measures identified in the EMP include: (i) removal of trees only if unavoidable in view of safety risks and only after required permission is secured, transplantation of 106 trees, and development of green buffer plantation alongside canals and water bodies (with about 45,000 trees); (ii) utilization of 0.445 MCM of spoil for embankments at reservoirs; (iii) safe disposal of 38.20 MCM of spoil at identified sites for achieving ground levels as per the City Master Plan; (iv) measures to control soil erosion (excavation during dry season, vegetation cover, proper drainage, slope maintenance, etc.); (v) procurement of construction material only from permitted sites and licensed/authorized quarries; (vi) sourcing water for construction from surface water sources, and ground water extraction upon securing required permission; (vii) construction vehicles and equipment to meet regulatory pollution control standards; (viii) proper siting of plant, oil interceptor and septic tank to prevent pollution from oil and fuel spills; (ix) storage, reuse and proper residual disposal of construction debris; dust control measures (water sprinkling, covering construction material, etc.) and regular monitoring; (x) construction of baffles to control turbidity before discharge; (xi) limiting construction operations to day time; (xii) maintenance of canals and reservoirs (de-weeding, desilting, etc.); (xiii) provision of barricades for canals; (xiv) exclusion of construction facilities, blasting, etc., within 1 km of Undavalli Caves monument; and (xv) chance find procedures. In addition, monitoring of air, water, noise, soil quality will be undertaken on a regular basis. The contractor will prepare and implement the following plans after approval from the ADC: occupational health and safety plan, dust control plan, labour camp management plan, traffic management plan, site restoration and demobilization plan, etc. The contractor will appoint a qualified and experienced Environment & Safety Officer (ESO). Consultation workshops with affected communities took place on July 25, 2017, January 6, 2018, March 19-22, 2018, and April 25, 2018.

Monitoring involves cross-checking the implementation of sub-component EMPs, as well as monitoring environmental quality through suitable indicators during construction and operation stages. The monitoring plan includes indicators and parameters to be monitored (air quality, surface and ground water quality, noise levels, and soil quality), methodology, frequency, etc. The primary monitoring responsibility has been assigned to APCRDA/ADC, as well as to the Project Management Consultants and the Contractors. An independent evaluation of the sub-component EMP implementation will be undertaken at the end of implementation of every investment financed under the ASIIDP.

Responsibilities on environmental and social management have been mapped to the key staff in the APCRDA and ADC engaged in project management, as well as those involved in design, planning, implementation, supervision and monitoring of each specific investment under the project. In addition, the following institutional arrangements have been made to augment the capacity of APCRDA and ADC in environmental and social safeguards management: (a) a dedicated Environmental Specialist will be designated in both APCRDA and ADC to ensure that the environmental management requirements in the ASIIDP are met, (b) a Social and Gender Officer, and, a Community Mobilizer at APCRDA will be responsible for the social management aspects of the project (c) the Program/Sub-component Management Consultant firms will be required to have an Environment Expert and a Social Development Expert in their teams to support the APCRDA/ADC.

For capacity building of APCRDA and ADC staff on environmental and social management, two types of programs are planned: (a) Training on Environmental and Social Assessment for Sub-components: Bi-annual training workshops will



be organized by APCRDA for its staff as well as for staff of ADC and of contractors involved in implementation of the sub-components. (b) Experience Sharing Sessions: Annual experience sharing sessions will be organized by APCRDA to enable exchange of good practices in implementation of environmental and social safeguards management. The participants will include staff of APCRDA and ADC involved in implementation of sub-components, program and sub-component management consultants, officials of statutory boards and other relevant monitoring agencies.

Labor Influx: The project is expected to induce construction related labor impacts under ASIIDP financed contracts. Hence, 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 labor welfare and safe working conditions. Contractors will have the responsibility to implement worker health and safety measures including provision of adequate labor camp facilities, use of personal protection equipment, worksite safety measures, health checkups, emergency response, awareness building on HIV/AIDS, etc. Contractors will also be responsible for formulating and ensuring implementation of a Code of Conduct for Workers. Construction camp sites will be rehabilitated at the end of implementation of the project financed investment. The project will pay particular attention to ensuring participation of local communities in project activities through stakeholder consultations.

Measures to address social safeguard impacts.

(i) Land Pooling Scheme (LPS) has been formulated and implemented by GoAP to assemble the required lands for the capital city development and more than 90% of the land has been assembled with the consent of land-owners / farmers. The key feature of the LPS is that the land owners will receive 30% of developed land (residential and commercial use) and annuity based on the extent of area lost @ of INR 30, 000/ acre of dry land and INR 50, 000/acre of wet land with 10% annual increase. Those who dependents of the land such as agricultural workers and tenant farmers receiving a fixed monthly pension of INR 2,500 per month with annual increase linked to Consumer Price Index for agricultural laborer. The increased amount for the years 2016-18 will be retroactively paid after the loan approval and thereafter the annual increase will be reflected from April 1 of every year. In addition, there are other benefits such as agricultural loan waiver, skill training and job placements, increase in number of days for accessing employment under Employment Guarantee schemes, educational and health benefits, etc. The independent assessments of land assembly instruments confirms that LPS farmers tend to gain due to increase land values and that the value of 'returnable plots' of LPS farmers already exceeds the 'replacement cost' of lands contributed. Some potential risk factors include timely annuity payments, successful implementation of other benefits extended under LPS, and restoration of livelihoods, especially that of landless / agricultural labor.

(ii) A Resettlement Policy Framework (RPF) has been prepared to mitigate the impacts associated with the land acquisition and physical displacement and incorporated the provisions of LPS under APCRDA Act, 2014, India's Land Acquisition and Rehabilitation and Resettlement Act, 2013 (RTFCTLARR Act, 2013) and the World Bank's OP 4.12 on Involuntary Resettlement. This Act significantly reduces the differences between India's national standards for land acquisition and Resettlement and Rehabilitation (R&R) and the Bank's operational policy requirements in relation to compensation, transitional support, resettlement sites, and support to vulnerable people, grievance mechanisms, consultations and disclosure. The RPF provides for appropriate mechanism to bridge some of the gaps between land acquisition act and the Bank policy. With regards to the cutoff date, the date of issue of first notification will be treated as the cut-off date for title holders, and for non-titleholders such as agricultural laborer, agriculture tenants, the cut-off date will be December 8, 2014, where the Land Pooling was widely published and all those residing in the capital area are aware of the significance of this cut date. All vulnerable families will be identified and additional



support will be designed as needed to support them to come out of their vulnerability. In case of valuation of structures and other assets, depreciation will not be taken into account. In addition, livelihood improvement plan will also be prepared to target those marginal land owners and landless agricultural laborers to provide targeted support to improve their livelihoods. With regards to replacement costs, the returnable plot and 10 year annuity under LPS will meet the replacement cost of lost assets and in case of land acquisition, In addition to compensation, there are additional top-ups including multiplier factor of 1.25 and 100 % solatium. All these provisions are likely to meet the replacement cost of land and assets. The RPF covers the principles and objectives of resettlement, process for conducting census survey, socio-economic surveys, and preparation of RAPs, entitlements for different types of impacts, process of land acquisition, valuation of affected assets, consultations and disclosure, institutional arrangements, coordination with civil works, grievance redress mechanism and monitoring and evaluation arrangements. The approaches / instruments used for ensuring compliance may be different for land obtained under different. This RPF is part of legal agreements. Some of the provisions of RPF related to deprecated cost of structures, periodical updating of resettlement unit costs, annual revision of pension and subsistence allowances for displaced families under Negotiated Settlement are incorporated in RPF/RAPs. The final RPF has been approved by the Government and a Government Order has been issued signifying the adoption of RPF for the project.

(iii) Negotiated Settlement. In case of physical displacements, A negotiated settlement policy has been approved by the Government. Under this policy, the displaced families will receive alternative equivalent developed plot in residential zone of capital city with construction grant and transitional support in the form of moving allowance and subsistence allowance. In addition, compensation for loss of assets will be paid in line with provisions of RTFCLARR Act, 2013 and to meet Bank policy requirement, no depreciation amounts will be deducted from the compensation amounts related to structures.

(iv) Resettlement Action Plan (RAP) for 10 roads has been prepared which provides an overview of nature and magnitude of land requirement and impacts and contains on the institutional and implementation arrangements and describes roles and responsibilities of various key officers, bringing dedicated Land Acquisition and Social Development officers to manage and coordinate with District Administration, payment of differential amount arising out of RPF provisions and additional livelihood support. The RAP also includes details on project level grievance redress committee, constitution of citizen committee, process for consultations during implementation, support to livelihood measures and support to vulnerable groups, coordination with civil works, certification of payment of compensation and R&R assistance, budget, time table and monitoring and evaluation arrangement. The baseline socio-economic of displaced families include that one-third are women headed households, 45% are illiterates, one third work as agricultural laborers and about one-fifth as cultivators, 96% own houses and more than 90% have separate latrines and two-thirds live permanent houses. The average monthly income is INR. 58,000 (USD 900). The key socio-economic profile of agricultural laborers includes: average monthly income is only INR. 8,476 (USD 130), a large majority (73%) work as agricultural laborers, less than half of them (45%) live in permanent houses and a large majority of them (more than 90%) have electricity connections and separate toilets and use LPG as cooking gas. However, only two-third have piped water supply. People who have joined land acquisition have refused to provide household survey, since these are opposing the capital city development in the present location and household survey among LPS beneficiaries was not carried out. The RAP for Flood Mitigation component has been also prepared. NGO services have been procured to support APCRDA in the implementation of RAP.

(v) Targeted Support to Vulnerable Groups. APCRDA has established a methodology to identify the vulnerable landless households, within a total of 21,374 landless laborer households as of cut-off date. Using this methodology an assessment was carried out by APCRDA in June - July 2018. A total of 857 vulnerable landless households were



identified, living in the 25 villages of the Capital City area through the SHGs prevailing in the 25 villages. Measures were identified to address the needs of these vulnerable households, and ensure they have access to opportunities that will allow them to restore their livelihoods to levels comparable to those prior to the announcement of the Capital City. While these measures are similar in nature to some of the general initiatives that APCRDA is implementing across the Capital City for all landless laborers, additional measures are specifically tailored and targeted to the needs of the identified 857 households include: (i) expanding safety nets, through improving access to various government social security schemes.; (ii) targeted skill training for those eligible, tailored to supply of jobs; (iii) job dashboard with information on employment opportunities in villages across the Capital City; (iv) safe, public transportation options for women to travel for work to other locations; and, (v) creation of more employment opportunities under MGNREGA within and nearby area of Capital City. The 857 are the vulnerable landless households requiring immediate attention. The support to other vulnerable landless households has also been designed as per the Livelihood Restoration Plan for Vulnerable Families.

APCRDA will mobilize the existing SHGs to engage in reaching out to the targeted vulnerable households and supporting them as the above proposed measures are rolled out. Specifically, they will, first, monitor the implementation of measures targeted to the vulnerable landless households to ensure that measures: (i) provide additional opportunities for target vulnerable landless households to improve their livelihood; and (ii) address some of the bottlenecks in accessing existing programs. Second, activate monitoring mechanisms to verify and calibrate the success of proposed measures, aiming at reducing the number of vulnerable landless households with time; and third, engage with communities and identify new potential households that may need additional assistance. It is expected that the original number of vulnerable landless households will reduce gradually, as target support measures bridge existing gaps and allow households to access opportunities to improve their livelihoods. The monitoring mechanism is in place, building on the present and the penetration of SHGs and of NGO/consultants, will provide a channel to identify on a continuous basis, households that may fall into a vulnerable state.

(vi) Measures for recommendations of Independent Assessment of Land Assembly Instruments. The RAP provides measures for recommendations made by Independent consultants which includes: Expanded skill development and training programs, Skills developments for future construction Needs, Strengthening MNREGA, especially for women, Job opportunities made available locally, Engaging local workers by contractors in Capital city/GOAP contracts, Special Measures for Vulnerable Needy Families, Improve local transportation especially for women, Special outreach to Vulnerable groups, Affordable housing for the landless families shall be taken up on an urgent basis to avoid migration and facilitate them in getting engaged locally, Support to displaced aged and women headed families in construction of alternative houses and, Family Livelihood Action Plan (FLAP). The concurrent monitoring consultants will report the progress in implementation of the above-mentioned measures.

(vii) Grievance Redress Mechanism (GRM). APCRDA's existing GRM provides multiple avenues for registering and seeking redress of grievances, including: (i) "Meekosam"- This is a state-wide single-window, online framework for receiving grievances, complaints, covering all government departments. Complaints are routed to the concerned department, including APCRDA for Amaravati Capital City related grievances; (ii) APCRDA has put in place a system, operated by designated officials ("Competent Authority") at various zonal offices throughout Amaravati Capital City, who can be approached by citizens to address grievances. This comprises about 26 units of Competent Authorities (CAs), which meet every Monday with Deputy Collector for grievance redressal meetings where public grievances are discussed and resolved; (iii) an online system operated by APCRDA through their portal: (iv) Call Center - a toll free complaint number has been set up for complaints to be registered; and (v) Mobile app – called 'Mana Amaravati' is operational, which provides information on every aspect of implementation of APCRDA's activities, and has an in-built



facility for grievance redressal. Moreover, PICs have been established in every village within Amaravati Capital City with information brochures and documentation regarding the project (in various languages), as well as information regarding the various GRM channels. PICs are permanently staffed with village residents who have been trained by APCRDA and are available to address questions, register complaints and reach out to APCRDA officials. These PICs will not only function as the front-line of information dissemination but also serve as places where project-affected people can register grievances or queries.

(viii) Monitoring and Evaluation. The payment of compensation and R&R assistance, LPS benefits, pensions to agricultural laborers, resettlement of those displaced in villages and implementation of livelihood improvement plans including targeted support to vulnerable families will be monitored as part of project implementation. Independent consultants will be appointed for carrying out concurrent monitoring and an independent agency will undertake an impact evaluation to document the outcomes and propose remedial measures if required. The RAP has identified various implementation and outcome indicators related land acquisition, resettlement and livelihood improvements. The progress of these indicators will be monitored as part of Bank supervision and documented in the aide-memoires.

(ix) Gender Based Violence Risks. There can be some potential risks regarding women's safety and security arising out of Bank project interventions due to enhanced exposure to harassment and sexual violence for economically displaced female landless agricultural workers while traveling to work and sexual harassment at the construction sites of Bank funded contracts. Given that the project entails construction and movements of male workers, it could exacerbate risks of sexual exploitation and abuse of women and girls in the communities near construction sites and temporary housing or labor camps for male workers under Bank-funded contracts. Based on GBV Risk Assessment carried out by the Bank, the project has prepared a GBV Action Plan/ Women Safety & Risk Mitigation Plan for mitigating the risk of such instances arising out of Bank-funded interventions/components. It also includes code of conduct for workers and list of service providers in the project area for GBV.

(x) Borrower Capacity for Implementation. All Land Pooling related activities are being carried out by APCRDA with support of competent Authority Units at village level. These units are supported by several revenue officials who are responsible for processing the LPS related document and agreements. APCRDA has a Planning Division with several qualified professions who are managing the LPS related implementation such as development lay outs, consultations on draft layouts followed by finalization and distribution of plots. They are supported by Directors of Land and Estate as needed. The land acquisition and negotiated settlements for physical displacements are being carried out by the village level competent authority units and Joint Collector, Guntur District is the Administrator for implementation of land acquisition under RTFCLARR act. The officials involved with land acquisition are experienced and well versed with local laws on land acquisition. The land acquisition is being acquired at village level and third-party agency has been appointed for carrying out social impact assessments, carrying out consultations with Gram Sinha's, preparation of social management plans, and assisting the district administration in conducting public hearings. As regards Project related land acquisition, APRDC will be the coordinating and monitoring agency. Both, APCRDA and ADC have no previous experience of working with the Bank and appropriate guidance and families is being provide on the World Bank requirements and processes. Two dedicated professional experiencing in Land Acquisition, and social Development Issues are being recruited who will be responsible for coordinating the land acquisition and resettlement issues and coordinating with district administration and responsible for carrying out internal monitoring and reporting. The Director, Estates, Lands/Social Development responsible for overall Capital city activities, will provide additional support as needed. In addition, another Social Development Specialist will be in place at Amravati Development Corporation (ADC) who are responsible for executing the works in the project. This social Development specialist will be responsible for managing the construction related social impacts and overseeing the land related impacts in



construction works. APCRDA will provide an evidence that these three dedicated staff are in place prior to appraisal. Additional consultants/NGOs will be engaged for the implementation and external monitoring RAP implementations as needed. The ESMF contains capacity building plans to enhance the understanding and skills required to apply the provisions of the RPF for the project.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders include all those residing in 25 villages in the capital city Government officials involved with capital city development and other NGOs and political parties and associations involved with development of the capital city development.

As part of the Master Plan development and formulation of LPS, APCRDA organized consultations and the suggestions/objections were taken into consideration while finalizing those documents. Some of the key suggestions considered because of those consultations include: exclusion of village boundaries under land pooling; improvement in the quantum of returnable land especially for those losing wetlands; minimizing physical displacement by changing alignments to master plan roads in the village areas, including pensions for agricultural laborers/tenants, and incorporating certain social development schemes. In addition, requests during the consultation process to incorporate cultural values enshrined in Vaastu and amend the road alignments within the master plan to reduce the impact on existing villages have also been incorporated.

Five rounds of stakeholder consultations for the ESMF and RPF were held in 2017-18 as part of project preparation. The first workshop was held in January 2017 and attended by roughly 150 people, including World Bank's Environment and Social specialists, as well as a representative from AIIB. Subsequent consultations were held in August 2017, where four workshops held over two days in four different villages within the footprint of the new capital city and more than 350 people attended these meetings, including World Bank's Environment and Social specialists, a Communication's Specialist and the India's Operations Manager. In addition, a third round of consultation was held for people affected by flood mitigation works in January 2018 in four villages-Mandapam, Thullur, Neerukonda and Krishnarayapalem, where 289 people including about 20% women and Bank retained NGOs were participated. The draft ESMF and RPF reports were made available on the APCRDA website prior to consultation meetings, and Executive Summaries were distributed during the meetings in Telugu.

Some of the concerns/ issues raised in the consultation meetings which were incorporated in RPF/RAP include: annual increase in pension amount, top-up payment towards depreciated costs of assets, peg marking of impact areas in villages, capital tax exemption, updating of basic land prices, clarification on enforcement of LPs agreements, legal support to those needed, constitution of citizen committees, livelihood improvement plan, sensitization of contractors on safety issues, avoidance of graveyard lands in Gramakantam lands, livelihood and skill development opportunities etc. Suggestions that were ultimately not incorporated included changing the location of the capital city to some place other than Amaravati and questions regarding legal validity of APCRDA Act, which are beyond the scope of the project. In addition, twenty-seven (27) additional focus group consultations on the draft RAP for roads and flood mitigation works have been carried in 14 different villages during 2017. These meetings were targeted specific vulnerable groups including: women, landless laborers, SC/ST people, physically displaced families, etc. More than 200 people participated in these additional focus group consultations.

Some of the concerns/ issues raised in the consultation meetings which were incorporated in the ESMF include: village



development projects – including sanitation – to bring villages up to city standards, focus on behavior change to facilitate higher quality of living, pollution control measures during construction, contractors’ obligations for pollution control and labor safety during construction, and, information sharing – especially on flood mitigation works.

Disclosures. APCRDA has well maintained website with separate folders for Land Acquisition, Land Pooling and Social Development schemes and the implementation progress is updated on real time basis. All the transactions under Land Pooling Scheme are made online and all notifications under LPS and LA R&R are kept in the websites of AP CRDA - www.crda.ap.gov.in and District Collector Guntur - www.guntur.nic.in. All land acquisition related notifications, social impact assessments and minutes of public hearings, etc. were kept in both APCRDA and District Collector’s web sites. Most of the communications to individual farmers on land pooling related events are communicated through short messages via mobile phones and all beneficiaries or affected people are identified through Aadhar Number (Unique Identification Number). All safeguard documents and implementation progress reports and studies will be disclosed in APCRDA web-site and be maintained throughout the project implementation. A separate project website has been created so that all project related documents are easily accessible.

The draft ESMF was disclosed on the website of the APCRDA on December 31, 2016. The final ESMF consistent with Bank operational policies has been re-disclosed in APCRDA’s website on September 6, 2018 and on the Bank’s website on September 12, 2018.

The draft EMP of the roads sub-component was disclosed through the APCRDA website on March 4, 2017. The final EA and EMP of the roads sub-component has been disclosed on APCRDA’s website April 18, 2018 and on the Bank’s website on April 20, 2018.

The draft EA and EMP of the flood mitigation sub-component was disclosed through the APCRDA website on January 2, 2018 and the final EA and EMP, which address feedback received during consultations, have been disclosed on APCRDA’s website on August 14, 2018 and on the Bank’s website on August 16, 2018.

The RAPs for the 10 sub-arterial roads and flood works were disclosed on the APCRDA’s website on August 31, 2018, and on the Bank’s website on September 3, 2018. The RPF, consistent with Bank operational policy OP 4.12 was approved by the Bank and was disclosed on the APCRDA’s website on August 4, 2018, and at the Bank’s website on September 12, 2018. The final documents were approved by the Government and were redisclosed by APCRDA.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other		
Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
31-Jan-2017	08-Feb-2017	14-Aug-2018

"In country" Disclosure



India
14-Aug-2018

Comments

EA and EMP of the roads sub-component and the flood mitigation sub-component

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank
31-Jan-2017

Date of submission for disclosure
08-Feb-2017

"In country" Disclosure

India
31-Aug-2018

Comments

The Resettlement Policy Framework, and RAPs for the 10 sub-arterial roads and flood works

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?



Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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Implementing Agencies

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APPROVAL

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Approved By

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