

Program Implementation Document

INTERNAL

Project Number: 58395-001
Loan and/or Grant Number(s): LXXXX, TXXXX
November 2024

India: Amaravati Inclusive and Sustainable Capital City Development Program

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PURPOSE OF THE PROGRAM IMPLEMENTATION DOCUMENT

The developing member country is wholly responsible for implementing the program supported by results-based lending. Asian Development Bank Staff support the results-based lending program design and implementation.

The program implementation document consolidates the essential program implementation information. It is a management tool that supports effective program implementation, monitoring, and reporting. It is developed throughout program processing and should be discussed with the developing member country at loan negotiations. It is a living document that should be refined and kept up-to-date during program implementation.

ABBREVIATIONS

ACC	=	Amaravati Capital City
ADB	=	Asian Development Bank
ADCL	=	Amaravati Development Corporation Ltd
APCRDA	=	Andra Pradesh Capital Region Development Authority
CAO	=	competent authority office
DMC	=	developing member country
DMP	=	Detailed master plan
DLI	=	disbursement-linked indicator
EMP	=	environmental management plan
E&S	=	environmental and social
GOAP	=	Government of Andra Pradesh
GRM	=	grievance redress mechanism
IVA	=	Independent Verification Agency
JPY	=	Japanese Yen
LPS	=	land pooling scheme
M&E	=	monitoring and evaluation
NDC	=	Nationally Determined Contribution
PID	=	program implementation document
PAP	=	program action plan
PGMC	=	program management consultant
PMC	=	project management consultant
POM	=	program operation manual
RBL	=	results-based lending
RRP	=	report and recommendation of the President
SDG	=	Sustainable Development Goal

I. PROGRAM DESCRIPTION

1. The Government of Andhra Pradesh (GOAP) has planned the development of Amaravati as a greenfield capital city targeting an estimated population of 3.5 million (2050), and has prepared Perspective Plan 2050, and the Detailed Master Plan (DMP) (2016–2036) that outline following key goals: (i) create high-quality jobs; (ii) attracting investments; (iii) ensuring good-quality housing for all, particularly for low-income group that will help ease the population pressure on neighboring cities; (iv) preserving natural ecosystems and building resilience against climate change by improving flood management infrastructure; and (v) integrating heritage and cultural preservation into the city's development. The DMP integrates economic development, urban mobility, and social inclusion to ensure equitable growth for all residents. With an overall objective of developing a knowledge-based economy, nine theme-based districts are being proposed for the economic development of Amaravati.¹ Phase I of Amaravati development will be implemented over a period of 5 years (2025–2029) with an estimated investment of \$3.64 billion.²

2. The results-based lending (RBL) Program's impact will be: Amaravati developed as the pioneer world class green, smart city as an economic powerhouse and global quality of living standards for all people.³ The outcome will be access to inclusive, efficient, and resilient infrastructure and public services, and jobs provided, measured by: (i) development of urban space with 8,000 parcels having improved access to infrastructure services and recreational space;⁴ (ii) 45,000 people (including 22,500 women) having access to water and sanitation infrastructure and services; (iii) 100,000 people (including 50,000 women) gaining access to public transport infrastructure and services;⁵ (iv) 3,315 hectares of area with new or improved drainage systems protected from flood risks; (v) 20 anchor investors attracted by Amaravati (DLI 4); (vi) \$900 million in private capital inflows enabled; and (vii) 12,000 new jobs created, including 7,000 for women and 2,400 for youth (DLI 4).⁶ The overall RBL program expenditures from 2025 to 2029 is \$1.773.8 billion. In 2024, the government has requested an ordinary capital resources loan of JPY121,972 million (\$788.8 million equivalent), with the rest of the program's financing coming from the World Bank for JPY121,972 million and state government for \$185 million.

Table 1: Program Scope
(as of 23 October 2024)

Item	Broader Government Program	Results-Based Lending Program
Outcome	Development of Amaravati that will provide (i) world class green infrastructure, (ii) resilience through efficient resource management, (iii) good quality of life and high-level of	Access to inclusive, efficient, and resilient infrastructure and public services and jobs provided.

¹ The proposed nine cluster cities include Government, Justice, Electronic, Knowledge, Health, Education, Sports, Finance, and Tourism.

² The planned Phase I of Amaravati Capital City development as laid out in the Perspective Plan 2050 and the DMP 2016–2036. The government program (Phase I) comprises of three main components: (i) development of the Amaravati Government Complex as the seed area development to enable necessary public functions of the state capital with an investment of ₹10,171 crores (\$1.2 billion); (ii) construction of the trunk infrastructure works to provide basic services to the city with an investment of ₹8,845 crores (\$1.1 billion); and (iii) delivery of neighborhood basic infrastructure for priority development areas with an investment of ₹10,949 crores (\$1.3 billion).

³ GOAP, Municipal Administration & Urban Development Department. 2024. [White Paper on Amaravati](#).

⁴ A parcel refers to a developed plot of land that will be handed over to landowners who contributed to the LPS.

⁵ The water supply and sewerage systems will serve Amaravati residents, while the transport system will extend beyond Amaravati, including nearby urban centers like Vijayawada and Guntur.

⁶ The design and monitoring framework for the program is in the Appendix.

Item	Broader Government Program	Results-Based Lending Program
	convenience to people, and (iv) range of jobs by skilling existing rural residents.	
Key outputs	<ol style="list-style-type: none"> 1. Delivering government complex, trunk and neighborhood infrastructure 2. Attracting investments 3. Preserving nature and environment 4. Improving flood management and climate resilience 5. Revitalizing heritage and culture 	<p>The Program's outputs are:</p> <ol style="list-style-type: none"> 1. Inclusive governance and financing frameworks strengthened. 2. Inclusive green economic growth and social development supported. 3. Climate-resilient, sustainable and inclusive infrastructure and service delivery solutions implemented.
Activities	<ol style="list-style-type: none"> 1. Provision of government offices, assembly and courts 2. Provision of infrastructure services in government complex, trunk and neighborhood areas. 3. Provision of good quality housing for government officials and judicial members and staff 4. Develop efficient public transport system, convenient neighborhood, and safe environment for people to live, work, learn and play. 5. Create network of parks and green spaces 6. Provide affordable housing and health care facilities for all groups of people 7. Promote efficient resource management by "reduce, recycle and reuse." 	<ol style="list-style-type: none"> 1. Implement trunk and neighborhood infrastructure. 2. Prepare draft proposals and policies for the establishment of professional institutions, entities, and municipal authorities. 3. Prepare and adopt an overall financing plan for Amaravati city covering sources inter alia grants, land monetization, PPPs, bonds, user charges, and service fees. 4. Establish an environment and social management unit. 5. Adopt strengthened policies and procedures for climate change- and disaster resilience and gender responsiveness. 6. Enable urban job skills trainings, with focus on women and young residents. 7. Prepare policies and procedures for promoting private sector investment. 8. Design and implementation of digital solutions.
Expenditure size	Phase I: \$3.64 billion	\$1.774 billion (Phase I)
Main financiers and their respective total amounts	ADB: \$788.80 million World Bank: \$800 million GOAP and other sources: \$2.051 billion	ADB: \$788.80 million World Bank: \$800 million GOAP: \$185 million
Geographic coverage	Amaravati Capital Region	Amaravati Capital Region
Implementation period	2024–2029	2025–2029

ADB = Asian Development Bank, GOAP = Government of Andra Pradesh, PPP = public–private partnership.
Sources: GOAP and ADB.

II. RESULTS AND DISBURSEMENT

A. The Results-Based Lending Program's Overall Results

3. The targeted outcome and outputs of the RBL program are aligned with the key priorities of the wider government program. The RBL program results framework is summarized in Table 2 below:

1. Program Results Framework

Table 2: Results-Based Lending Program Results Framework
(as of November 2024)

Indicator	DLI (Yes/No)	Baseline Value and Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
Outcome: Access to inclusive, efficient, and resilient infrastructure and public services, and jobs provided								
1. By 2029, urban space with improved access to sustainable urban infrastructure and services green transport, and recreational space (8,000 parcels)	Yes DLI 8	0, 2024	N/A	-	-	<ul style="list-style-type: none"> 2,400 parcels connected to (i) sustainable urban infrastructure and services, (ii) public transport services, and (iii) blue/green amenities 	<ul style="list-style-type: none"> 3,200 additional parcels connected to (i) sustainable urban infrastructure and services, (ii) public transport services, and (iii) blue/green amenities 	<ul style="list-style-type: none"> 2,400 additional parcels connected to (i) sustainable urban infrastructure and services, (ii) public transport services, and (iii) blue/green amenities
2. By 2029, beneficiaries trained and employed <ul style="list-style-type: none"> economic development unit established 20 anchor investors attracted 17,000 beneficiaries trained of which 10,100 women and 3,400 are youth 12,000 beneficiaries 	Yes DLI 4	0, 2024	N/A	<ul style="list-style-type: none"> The State has established the Economic Development unit within the State Economic Development Board focused on Amaravati 	<ul style="list-style-type: none"> 5 anchor investors ready to establish in Amaravati 4,250 beneficiaries, including 2,525 women and 850 youth, completed job focused training delivered through APCRDA based on skill census 	<ul style="list-style-type: none"> 4 additional anchor investors ready to establish in Amaravati 4,250 additional beneficiaries including 2,525 women and 850 youth complete job focused training delivered through APCRDA based on skill census 	<ul style="list-style-type: none"> 5 additional anchor investors ready to establish in Amaravati 4,250 additional beneficiaries including 2,525 women and 850 youth complete job focused training delivered through APCRDA 	<ul style="list-style-type: none"> 6 additional anchor investors ready to establish in Amaravati 4,250 additional beneficiaries including 2,525 women and 850 youth complete job focused training delivered through APCRDA based on skill census 4,800 additional beneficiaries, including 2,800 women and 960

Indicator	DLI (Yes/No)	Baseline Value and Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
of which 7,000 women, and 2,400 youth secured jobs) ^d					<ul style="list-style-type: none"> 1,200 beneficiaries, including 700 women and 240 youth, with secured jobs 	<ul style="list-style-type: none"> 3,000 additional beneficiaries, including 1,750 women and 600 youth, with secured jobs 	based on skill census <ul style="list-style-type: none"> 3,000 additional beneficiaries, including 1,750 women and 600 youth, with secured jobs 	youth, with secured jobs
3. By 2029, beneficiaries have access to climate-resilient, and sustainable water, sanitation infrastructure and services	No	0,2024		-	-	-	-	<ul style="list-style-type: none"> 45,000 persons (of which 22,500 women) have access to water and sanitation infrastructure and services
4. By 2029, have access to climate-resilient, and sustainable transport infrastructure and services	No	0, 2024		-	-	-	-	<ul style="list-style-type: none"> 100,000 persons (of which 50,000 women) have access to transport infrastructure and services
5. By 2029, total area with new/improved drainage system protected from flood risks	No	0, 2024		-	-	-	-	<ul style="list-style-type: none"> 3,315-hectare of area with system for protection from floods
6. By 2029, private capital enabled	No	0, 2024		-	-	-	-	<ul style="list-style-type: none"> \$900 million private capital enabled
<ul style="list-style-type: none"> Output 1: Inclusive governance and financing frameworks strengthened 								

Indicator	DLI (Yes/No)	Baseline Value and Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
7. By 2028, operational systems and mechanisms established and strengthened for program delivery	Yes DLI 1	No E&S system, audits overdue, incomplete accounting manual, procurement platform available at the State level, 2024	E&S unit established in APCRDA	<ul style="list-style-type: none"> Program governance, construction management, quality assurance and control established by APCRDA through the appointment of the Program Management Consultant Priority actions related to E&S adopted by APCRDA Functional information and communication technology platforms operationalized by APCRDA covering the following: (i) procurement monitoring and contract management; and (ii) E&S compliance monitoring Updated sustainable urban design 	<ul style="list-style-type: none"> APCRDA has complied with Predefined KPIs, for Calendar Year 2025 Timebound Functional asset management system operationalized by APCRDA Accounts prepared by APCRDA and ADCL as per the accounting manual APCRDA and ADCL entity audit reports issued for the last completed fiscal year 	<ul style="list-style-type: none"> APCRDA has complied with predefined KPIs for CY 2026 Timebound APCRDA has issued and disseminated a sustainable and green procurement guidance and piloted its implementation in one identified civil work contract in AGC, one in trunk infrastructure, and one in LPS. 	<ul style="list-style-type: none"> APCRDA has complied with predefined KPIs for CY 2027 Timebound 	

Indicator	DLI (Yes/No)	Baseline Value and Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
				<p>guidelines adopted by APCRDA for Amaravati development</p> <ul style="list-style-type: none"> • The accounting manuals for APCRDA and ADCL have been approved • APCRDA and ADCL entity audit reports issued up to fiscal year 2023–2024 				
8. By 2029, institutional mechanisms for inclusive, green and resilient service delivery established	Yes DLI 2	No, 2024	N/A		<ul style="list-style-type: none"> • The State adopted a medium-term governance and institutional plan for ACR and Amaravati and for the delivery of urban services^a • Disaster risk management and flood monitoring agency for Amaravati operationalized^d 	<ul style="list-style-type: none"> • Unified metropolitan transportation authority for ACR operationalized 	<ul style="list-style-type: none"> • A proposal for the legal structure of Amaravati city government has been approved by the Competent Authority^c 	<ul style="list-style-type: none"> • Service delivery arrangements for water, sewerage, drainage and storm water management has been operationalized through a ring-fenced department or corporate entity or utility under companies' act,

Indicator	DLI (Yes/No)	Baseline Value and Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
9. By 2029, private capital financing mobilized (\$210 million) • Mechanism to mobilize through land monetization and asset management adopted	Yes DLI 3	0, 2024	N/A	<ul style="list-style-type: none"> Overall financing plan for Amaravati Capital City adopted by APCRDA Policy for land and asset monetization with a long-term land management strategy adopted by APCRDA 	<ul style="list-style-type: none"> Policy for land / asset monetization operationalized by APCRDA \$42 million private capital financing mobilized by APCRDA through land monetization and asset management 	<ul style="list-style-type: none"> \$42 million additional private capital financing mobilized by APCRDA through land monetization and asset management 	<ul style="list-style-type: none"> \$84 million additional private capital financing mobilized by APCRDA through land monetization and asset management 	<ul style="list-style-type: none"> \$42 million additional private capital financing mobilized by APCRDA through land monetization and asset management
10. By 2029, public–private partnership transactions enabled	No	0, 2024	N/A	-	-	-	-	<ul style="list-style-type: none"> 3 PPP transactions completed
Output 2: Inclusive green economic growth and social development supported								
11. By 2029, policies and programs operationalized for increased access to green and resilient affordable housing in Amaravati	Yes DLI 5	Indicative housing strategy laid out in the detailed master plan, 2024	N/A	Green and resilient affordable housing plan adopted by APCRDA	<ul style="list-style-type: none"> A policy issued by APCRDA on requirement for reservation of 10% of units in private sector residential development projects for green and resilient affordable housing or, in-lieu, 	<ul style="list-style-type: none"> The ASHF established and operationalized 10% of affordable housing in private residential development projects reserved or, in-lieu, monetary contribution provided by 	<ul style="list-style-type: none"> 10% of affordable housing in private residential development projects reserved or, in-lieu, monetary contribution provided by private residential developers in the AHSF in 2028 	<ul style="list-style-type: none"> 10% of affordable housing in private residential development projects reserved or, in-lieu, monetary contribution provided by private residential developers in the AHSF in 2029

Indicator	DLI (Yes/No)	Baseline Value and Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
					monetary contribution equivalent provided by private sector residential developers	private residential developers in the AHSF in 2027 • Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY 2027	• Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY 2028	• Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY 2029
12. By 2029, affordable housing (including 15% headed by women) for poor and vulnerable groups constructed ⁱ	No	0, 2024	N/A	-	-	-	-	• 3,200 units of affordable housing (including 15% headed by women) for poor and vulnerable groups constructed
13. By 2029, full participatory system in place with gender focus to develop communities.	Yes DLI 6	0, 2024	N/A	• Participatory mechanisms established and maintained, especially for women, low-	• Participatory mechanisms are maintained and used in CY 2026	• Participatory mechanisms are maintained and used in CY 2027	• Participatory mechanisms are maintained and used in CY 2028	• Participatory mechanisms are maintained and used in CY 2029

Indicator	DLI (Yes/No)	Baseline Value and Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
<ul style="list-style-type: none"> participatory system focuses on grievance redressal with gender and social inclusion 				income, and vulnerable groups. ^e				
Output 3: Climate-resilient, sustainable, and inclusive infrastructure and service delivery solutions implemented								
14. By 2029, climate-informed infrastructure delivered	Yes DLI 7	0, 2024	N/A	<ul style="list-style-type: none"> Construction activities of climate-informed infrastructure commenced 	-	<ul style="list-style-type: none"> APCRDA accepted the completed and commissioned additional climate-informed infrastructure in CY 2027 	<ul style="list-style-type: none"> APCRDA accepted the completed and commissioned additional climate-informed infrastructure in CY 2028 	<ul style="list-style-type: none"> APCRDA accepted the completed and commissioned additional climate-informed infrastructure in CY 2029
15. By 2029, adoption of digital solutions for service delivery	No	No, 2024	N/A	-	-	-	<ul style="list-style-type: none"> Digital solutions for service delivery developed 	<ul style="list-style-type: none"> Digital solutions for service delivery adopted

ACR = Amaravati Capital Region, ADCL = Amaravati Development Corporation Limited, AGC = Amaravati Government Complex, AHSF = Affordable Housing Shelter Fund, APCRDA = Andhra Pradesh Capital Region Development Authority, CY = calendar year, DLI = disbursement-linked indicator, E&S = environmental and social safeguards, FY = fiscal year, KPI = key performance indicator.

^a The structure of each institution will be developed with the support of attached technical assistance.

^b The attached technical assistance will support the government in developing a climate change action plan and updating the flood management plan, which will be overseen by the proposed Disaster Risk Management and Flood Monitoring Agency.

^c Competent authority refers to the state government department or any the designated body responsible for approving the capital city structure, depending on the type of proposal.

^d Youth is defined as those in the labor force of the age between 15–24 years.

^e Vulnerable group defined as landless, people without legal title, elderly, women-headed households, persons with disabilities, children (e.g., orphans or child workers, if any), scheduled caste, scheduled tribes, and below poverty level under the vulnerable category.

Source: Asian Development Bank.

B. Disbursement-Linked Indicators

Description of Disbursement-Linked Indicators

Table 3: Disbursement-Linked Indicators

Indicator	Baseline Value	Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
1. By 2028, operational systems and mechanisms established and strengthened for program delivery	No E&S System, Audits overdue, incomplete accounting manual, procurement platform available at the State level	2024	E&S unit established in APCRDA	<ul style="list-style-type: none"> Program governance, construction management, quality assurance and control established by APCRDA through the appointment of the Program Management Consultant Priority actions related to E&S adopted by APCRDA Functional Information and Communication technology platforms operationalized by APCRDA covering the following: (i) procurement monitoring and contract management; and (ii) E&S compliance monitoring 	<ul style="list-style-type: none"> APCRDA has complied with Predefined KPIs, for Calendar Year (CY) 2025 Timebound Functional asset management system operationalized by APCRDA Accounts prepared by APCRDA and ADCL as per the accounting manual APCRDA and ADCL entity audit reports issued for the last completed fiscal year 	<ul style="list-style-type: none"> APCRDA has complied with Predefined KPIs for CY 2026 Timebound APCRDA has issued and disseminated a sustainable and green procurement guidance and piloted its implementation in one identified civil work contract in AGC, one in Trunk infrastructure, and one in LPS. 	<ul style="list-style-type: none"> APCRDA has complied with Predefined KPIs for CY 2027 Timebound 	

Indicator	Baseline Value	Baseline Year	Target Values						
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029	
				<ul style="list-style-type: none"> Updated sustainable urban design guidelines adopted by APCRDA for Amaravati development The accounting manuals for APCRDA and ADCL have been approved APCRDA and ADCL entity audit reports issued up to Fiscal Year 2023–2024 					
2. By 2029, institutional mechanisms for inclusive, green and resilient service delivery established	No	2024	N/A		<ul style="list-style-type: none"> The State adopted a medium-term governance and institutional plan for ACR and Amaravati and for the delivery of urban services^a Disaster Risk Management and Flood Monitoring Agency for Amaravati operationalized^b 	<ul style="list-style-type: none"> Unified Metropolitan Transportation Authority for ACR operationalized 	<ul style="list-style-type: none"> A proposal for the legal structure of Amaravati city government has been approved by the Competent Authority^c 	<ul style="list-style-type: none"> Service delivery arrangements for water, sewerage, drainage and storm water management has been operationalized through a ring-fenced department or corporate entity or utility under Companies' act 	
3. By 2029, private capital financing mobilized (\$210 million)	0	2024	N/A	<ul style="list-style-type: none"> Overall financing plan for Amaravati Capital City adopted by APCRDA 	<ul style="list-style-type: none"> Policy for land/asset monetization operationalized by APCRDA 	<ul style="list-style-type: none"> \$42 million additional private capital financing mobilized by APCRDA through land monetization 	<ul style="list-style-type: none"> \$84 million additional private capital financing mobilized by APCRDA through land monetization 	<ul style="list-style-type: none"> \$42 million additional private capital financing mobilized by APCRDA through land monetization 	

Indicator	Baseline Value	Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
<ul style="list-style-type: none"> Mechanism to mobilize through land monetization and asset management adopted 				<ul style="list-style-type: none"> Policy for land and asset monetization with a long-term land management strategy adopted by APCRDA 	<ul style="list-style-type: none"> \$42 million private capital financing mobilized by APCRDA through land monetization and asset management 	and asset management	and asset management	and asset management
<p>4. By 2029, beneficiaries trained and employed</p> <ul style="list-style-type: none"> economic development unit established, 20 anchor investors attracted 17,000 beneficiaries trained of which 10,100 women and 3,400 are youth; 12,000 beneficiaries of which 7,000 women, and 2,400 youth secured jobs)^d 	No	2024	N/A	<ul style="list-style-type: none"> The State has established the Economic Development unit within the State Economic Development Board focused on Amaravati 	<ul style="list-style-type: none"> 5 anchor investors ready to establish in Amaravati 4,250 beneficiaries, including 2,525 women and 850 youth, completed job focused training delivered through APCRDA based on skill census 1,200 beneficiaries, including 700 women and 240 youth, with secured jobs 	<ul style="list-style-type: none"> 4 additional anchor investors ready to establish in Amaravati 4,250 additional beneficiaries including 2,525 women and 850 youth complete job focused training delivered through APCRDA based on skill census 3,000 additional beneficiaries, including 1,750 women and 600 youth, with secured jobs 	<ul style="list-style-type: none"> 5 additional anchor investors ready to establish in Amaravati 4,250 additional beneficiaries including 2,525 women and 850 youth complete job focused training delivered through APCRDA based on skill census 3,000 additional beneficiaries, including 1,750 women and 600 youth, with secured jobs 	<ul style="list-style-type: none"> 6 additional anchor investors ready to establish in Amaravati 4,250 additional beneficiaries including 2,525 women and 850 youth complete job focused training delivered through APCRDA based on skill census 4,800 additional beneficiaries, including 2,805 women and 960 youth, with secured jobs

Indicator	Baseline Value	Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
5. By 2029, policies and programs operationalized for increased access to green and resilient affordable housing in Amaravati	Indicative housing strategy laid out in the Detailed Master Plan	2024	N/A	<ul style="list-style-type: none"> Green and resilient affordable housing plan adopted by APCRDA 	<ul style="list-style-type: none"> A policy issued by APCRDA on requirement for reservation of 10% of units in private sector residential development projects for green and resilient affordable housing or, in-lieu, monetary contribution equivalent provided by private sector residential developers 	<ul style="list-style-type: none"> The AHSF established and operationalized 10% of affordable housing in private residential development projects reserved or, in-lieu, monetary contribution provided by private residential developers in the AHSF in 2027 Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY2027 	<ul style="list-style-type: none"> 10% of affordable housing in private residential development projects reserved or, in-lieu, monetary contribution provided by private residential developers in the AHSF in 2028 Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY2028 	<ul style="list-style-type: none"> 10% of affordable housing in private residential development projects reserved or, in-lieu, monetary contribution provided by private residential developers in the AHSF in 2029 Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY2029
6. By 2029, full participatory system in place with gender focus to develop communities <ul style="list-style-type: none"> participatory system 	No	2024	N/A	<ul style="list-style-type: none"> Participatory mechanisms established and maintained, especially for women, low-income, and vulnerable groups.^e 	<ul style="list-style-type: none"> Participatory mechanisms are maintained and used in CY2026 	<ul style="list-style-type: none"> Participatory mechanisms are maintained and used in CY2027 	<ul style="list-style-type: none"> Participatory mechanisms are maintained and used in CY2028 	<ul style="list-style-type: none"> Participatory mechanisms are maintained and used in CY2029

Indicator	Baseline Value	Baseline Year	Target Values					
			Prior Results	Jan–Dec 2025	Jan–Dec 2026	Jan–Dec 2027	Jan–Dec 2028	Jan–Dec 2029
focuses on grievance redressal with gender and social inclusion								
7. By 2029, climate-informed infrastructure delivered	No	2024	N/A	<ul style="list-style-type: none"> Construction activities of climate-informed infrastructure commenced 		<ul style="list-style-type: none"> APCRDA accepted the completed and commissioned climate-informed infrastructure in CY2027 	<ul style="list-style-type: none"> APCRDA accepted the completed and commissioned additional climate-informed infrastructure in CY2028 	<ul style="list-style-type: none"> APCRDA accepted the completed and commissioned additional climate-informed infrastructure in CY2029
8. By 2029, urban space with improved access to sustainable urban infrastructure and services, green transport, and recreational space (8000 parcels)	0	2024	N/A	-	-	<ul style="list-style-type: none"> 2,400 parcels connected to (i) Sustainable Urban Infrastructure and Services; (ii) Public Transport Services; and (iii) Blue/Green Amenities 	<ul style="list-style-type: none"> 3,200 additional parcels connected to (i) Sustainable Urban Infrastructure and Services; (ii) Public Transport Services; and (iii) Blue/Green Amenities 	<ul style="list-style-type: none"> 2,400 additional parcels connected to (i) Sustainable Urban Infrastructure and Services; (ii) Public Transport Services; and (iii) Blue/Green Amenities

ACR = Amaravati Capital Region, ADCL = Amaravati Development Corporation Limited, AGC = Amaravati Government Complex, AHSF = Affordable Housing Shelter Fund, APCRDA = Andhra Pradesh Capital Region Development Authority, DLI = disbursement-linked indicator, E&S = environmental and social safeguards, FY = fiscal year, KPI = key performance indicator.

- ^a The structure of each institution will be developed with the support of attached technical assistance.
- ^b The attached technical assistance will support the government in developing a climate change action plan and updating the flood management plan, which will be overseen by the proposed Disaster Risk Management and Flood Monitoring Agency.
- ^c Competent authority refers to the state government department or any of the designated body responsible for approving the capital city structure, depending on the type of proposal.
- ^d Youth is defined as those in the labor force of the age between 15–24 years.
- ^e Vulnerable groups defined as landless, people without legal title, elderly, women-headed households, persons with disabilities, children (e.g., orphans or child workers, if any), scheduled caste, scheduled tribes, and below poverty level under vulnerable category.

Source: Asian Development Bank.

C. Disbursement-Linked Indicator Verification Protocols

Description of the Verification Protocols

Table 4: Disbursement-Linked Indicator Verification Protocols
(as of Nov 2024)

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
DLI 1: By 2028, operational systems and mechanisms established and strengthened for program delivery				
<p>Baseline: 2024: No E&S system, audits overdue, incomplete accounting manual, procurement platform available at the State level</p> <p>Prior action: E&S unit established in APCRDA</p> <p>Jan–Dec 2025</p> <ul style="list-style-type: none"> • Program governance, construction management, quality assurance and control established by APCRDA through the appointment of the PgMC • Priority actions related to E&S adopted by APCRDA • Functional Information and Communication technology platforms operationalized by APCRDA covering the following: (i) procurement monitoring and contract management; and (ii) E&S compliance monitoring • Updated sustainable urban design guidelines adopted 	<p>This indicator will support the strengthening program management, enhance E&S implementation capacity, establish robust ICT platforms, promote sustainable urban design, and reinforce financial reporting and accounting systems for efficient and transparent project implementation in Amaravati.</p> <p>1. Strengthened Program Management</p> <p>Program management will be strengthened through the establishment of program governance, construction management, quality assurance, and control systems, facilitated by the appointment of a PgMC by APCRDA. The PgMC will be responsible for developing and enforcing governance standards that all participants will follow.</p> <ul style="list-style-type: none"> • Governance and oversight: The PgMC will set up a comprehensive governance framework that oversees construction management, quality assurance, and controls to maintain high standards across all aspects of the program. • Coordination and planning: PgMC will coordinate all interactions among PMCs and establish program-level planning to ensure cohesive activity implementation. • Digital monitoring and evaluation: A unified digital framework for monitoring and evaluation will be set up, covering technical, environmental, social, financial, and contract management aspects. This platform will enable real-time reporting and facilitate informed decision-making by APCRDA and ADCL. 	<p>APCRDA and ADCL</p>	<p>Verification Agency: IVA recruited by APCRDA</p> <p>1. Strengthened Program Management</p> <ul style="list-style-type: none"> • Program Governance, Quality Assurance, and Controls: IVA will certify that APCRDA has approved program governance, quality assurance, and quality control systems through the PgMC. The agency will review approved documents and relevant governance policies to ensure they are comprehensive and align with program standards for Amaravati. • KPI Achievement for PgMC Workplan: IVA will certify that APCRDA has met at least 80% of the predefined KPIs in the annual program workplan. Verification will include assessing progress reports, completion records, and official endorsements of activities by APCRDA to confirm the achievement of 	<p>Semi-annual</p>

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>by APCRDA for Amaravati development</p> <ul style="list-style-type: none"> The accounting manuals for APCRDA and ADCL have been approved <p>APCRDA and ADCL entity audit reports issued up to Fiscal Year 2023–2024</p> <p>Jan–Dec 2026</p> <ul style="list-style-type: none"> APCRDA has complied with Predefined KPIs, for CY2025 <p>Timebound</p> <ul style="list-style-type: none"> Functional asset management system operationalized by APCRDA Accounts prepared by APCRDA and ADCL as per the accounting manual APCRDA and ADCL entity audit reports issued for the last completed fiscal year <p>Jan–Dec 2027</p> <p>APCRDA has complied with Predefined KPIs for CY2026</p> <p>APCRDA has issued and disseminated a sustainable and green procurement guidance and piloted its implementation in one identified civil work contract in</p>	<ul style="list-style-type: none"> Specialized staffing: PgMC will employ staff with skills relevant to specific assignments, including occupational health and safety and community health and safety. Performance targets: PgMC’s performance will be assessed based on achieving at least 80% of its work plan, encompassing completion, financial performance, and quality standards. <p>Disbursement Criteria:</p> <ul style="list-style-type: none"> Year 1: ₹762.325 million for establishing program governance, quality assurance, and control through PgMC. Years 2–4: ₹304.930 million each year based on evidence of PgMC’s effective performance. Total: ₹1677.115 million. <p>2. Strengthened E&S Capacity</p> <p>This component includes the establishment of an E&S management unit with essential staffing and allocated budget, in accordance with Government Order (G.O. Ms. No.112). The E&S management team will develop policies, systems, and procedures to enhance environmental and social compliance.</p> <ul style="list-style-type: none"> Unit setup: APCRDA will establish a dedicated E&S management unit staffed with key personnel at specialist or higher levels. Priority actions related to E&S: The unit will implement specific priority actions to improve policies and processes, focusing on: <ul style="list-style-type: none"> Environmental, health, and safety standards, sexual exploitation and abuse and gender-based violence considerations in bidding documents. Issuance of land acquisition, resettlement, and rehabilitation policies. Strengthening the grievance redress mechanism. 		<p>completion, financial, and quality standards as outlined.</p> <p>2. Strengthened E&S Capacity</p> <ul style="list-style-type: none"> Establishment of ESMU: IVA will certify that APCRDA has set up an ESMU, with staffing and budget aligned with Government Order (G.O. Ms.No.112). This includes checking staffing records, budget approvals, and relevant government orders. Implementation of Priority actions related to E&S: IVA will certify that APCRDA has completed the priority actions related to E&S in Year 1. Evidence for verification will include bidding documents, E&S action taken reports and compliance reports. <p>3. ICT Platforms</p> <ul style="list-style-type: none"> Procurement Monitoring and Contract Management Platform: IVA will certify that APCRDA and ADCL have operationalized an ICT platform specifically for procurement monitoring and contract management for contracts above ₹100 million. Verification will involve reviewing the 	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>AGC, one in Trunk infrastructure, and one in LPS</p> <p>Jan–Dec 2028 APCRDA has complied with Predefined KPIs for CY2027</p> <p>Jan–Dec 2029 -</p>	<ul style="list-style-type: none"> ○ Semi-annual E&S compliance reporting within 45 days after each semester. <p>Disbursement Criteria:</p> <ul style="list-style-type: none"> ● ₹762.325 million for the establishment of the E&S unit. ● Additional ₹762.325 million for implementing priority actions for E&S. ● Total: ₹1,524.65 million. <p>3. ICT Platforms</p> <p>Functional ICT platforms will be developed and operationalized by APCRDA and ADCL for streamlined procurement, contract management, and E&S compliance monitoring.</p> <ul style="list-style-type: none"> ● Procurement and contract management: The ICT platform will track procurement activities and contracts above ₹100 million. A dashboard will display KPIs, including time, cost, and quality metrics, and relevant information should be made available in public domain. ● E&S compliance monitoring: The E&S compliance system will track adherence to program-specific E&S requirements, specifically for construction contracts over ₹500 million. <p>Asset Management System: APCRDA will establish a digital asset management system to log and monitor all major assets developed under the program.</p> <p>Disbursement Criteria:</p> <ul style="list-style-type: none"> ● ₹609.86 million each for the operationalization of procurement and contract management, and E&S compliance monitoring systems. ● Year 2: ₹609.86 million for developing and using the asset management system. ● Total: ₹1,829.58 million. <p>4. Use of Sustainable Approaches</p>		<p>functionality of the ICT platform, the KPI dashboard for procurement, and documentation of corrective action tracking to confirm the achievement of procurement targets.</p> <ul style="list-style-type: none"> ● E&S Compliance Monitoring Platform: IVA will certify the operationalization of the ICT platform for E&S compliance monitoring for contracts exceeding ₹500 million. The IVA will check the platform's ability to monitor compliance with E&S requirements and ensure it aligns with program standards. ● Asset Management System: IVA will certify the operationalization of an asset management system for all fixed assets created under the program by APCRDA. The agency will confirm that the system's functionalities meet program requirements and review asset records and platform operations. <p>4. Use of Sustainable Approaches</p> <ul style="list-style-type: none"> ● Publication of Urban Design Guidelines: IVA will certify if APCRDA has finalized and published the updated urban design 	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<ul style="list-style-type: none"> • Sustainable urban design guidelines: APCRDA will adopt sustainable urban design guidelines, promoting environmentally friendly and climate-resilient development practices in Amaravati. The available guidelines will be updated and adopted by APCRDA for sustainable urban development, addressing areas, such as climate resilience and nature-based solutions, biodiversity considerations and water-sensitive design, energy efficiency and affordable housing incentives, pedestrian connectivity, street guidelines, transit-oriented development, parking, and green buildings. • Sustainable and green procurement guidance: Based on the program's initial years, APCRDA will draft guidelines on green public procurement, hold workshops to build capacity for both APCRDA and ADCL, and conduct pilot projects in AGC, Trunk infrastructure, and LPS. <p>Disbursement Criteria:</p> <ul style="list-style-type: none"> • ¥609.86 million for adopting sustainable urban design guidelines. • Year 3: ¥609.86 million for piloting green and sustainable procurement best practices and publishing the guidance. • Total: ¥1,219.72 million. <p>5. Strengthened Accounting System with Timely Financial Reporting</p> <p>APCRDA and ADCL will improve financial reporting through the development of an accounting manual, timely preparation of financial accounts, and issuance of entity audit reports, ensuring transparency and compliance.</p> <ul style="list-style-type: none"> • Approval of accounting manual: The Executive Committee of APCRDA and the Board of Directors of ADCL will approve a new accounting manual. 		<p>guidelines on its official website. The agency will review the updated guidelines for adherence to program standards.</p> <ul style="list-style-type: none"> • Sustainable and Green Procurement Guidance: IVA will certify that APCRDA has published sustainable and green public procurement guidance on its website. The agency will confirm that a dissemination workshop was held and verify that APCRDA piloted one green procurement activity each in the AGC, Trunk infrastructure, and LPS. <p>5. Strengthened Accounting System with Timely Financial Reporting</p> <ul style="list-style-type: none"> • Year 1: IVA will certify that the accounting manual has been approved by the relevant authorities within APCRDA and ADCL, and that accounts have been prepared according to the manual. Verification will include checking for the completion of the fixed asset register, issuance of audit reports, and confirming the availability of these reports on APCRDA's website. • Year 2: IVA will certify the audit reports, with either a 	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>This manual is designed to provide a standardized framework for all accounting and financial reporting activities across both entities.</p> <ul style="list-style-type: none"> • Backlog of financial reporting and audit: APCRDA and ADCL will address any backlog in financial reporting by preparing and submitting financial accounts up to FY2023–2024. This includes: <ul style="list-style-type: none"> ○ For APCRDA: Issuing entity audit reports for fiscal years from FY2017–2018 to FY 2023–2024, ensuring all backlogged reports are completed and released in a single audit cycle. ○ For ADCL: Issuing entity audit reports for FY2022–2023 and FY2023–2024 as a comprehensive backlog audit. • Preparation of Accounts as per New Manual: Following the approval of the accounting manual, both APCRDA and ADCL will prepare accounts aligned with the new procedures. This involves: <ul style="list-style-type: none"> ○ Training FM staff on the requirements and protocols outlined in the manual to ensure a smooth transition and accurate reporting. ○ Integrating the accounting manual within the current computerized accounting system (Tally) to support streamlined and standardized reporting. ○ Fixed Assets Register: A complete Fixed Assets Register will be developed and implemented. This register will document all major fixed assets created under the program, ensuring transparent asset tracking and facilitating accurate valuation and reporting. • Timely Issuance of audit reports: After implementing the new accounting procedures, APCRDA and ADCL will issue timely audit reports for the last completed fiscal year. Each audit report will aim for either an unqualified (clean) opinion or, if necessary, a qualified opinion. These reports will 		<p>qualified or unqualified opinion, have been issued for the most recent fiscal year. These reports will be reviewed to confirm compliance with accounting standards, and their publication on the official website will be verified.</p>	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>then be made publicly accessible by posting them on the respective websites of APCRDA and ADCL.</p> <p>Disbursement Criteria:</p> <ul style="list-style-type: none"> • ₹609.86 million for approval of the accounting manual and issuance of entity audit reports up to FY2023–2024. • Year 2: ₹914.79 million for preparing accounts per the new manual and issuing audit reports for the latest fiscal year. • Total: Up to ₹1,524.65 million. <p>Partial disbursement: Partial disbursements are permitted when a DLI target is partially achieved within the program's duration. In such cases, a proportionate disbursement amount may be released based on the level of achievement relative to the set target.</p> <p>Disbursement for early or late achievement: Disbursements for both early and late achievement of DLI targets are allowed. This means that the full planned disbursement amount for a target year can be released once the target is fully achieved, even if achieved later than scheduled, as long as it is within the RBL program's duration. Similarly, early disbursement is allowed if the target is achieved ahead of schedule.</p>			
DLI 2: By 2029, institutional mechanisms for inclusive, green, and resilient service delivery established				
<p>Baseline: 2024: 0</p> <p>Prior Action: N/A</p> <p>Jan–Dec 2025 The State adopted a medium-term governance and institutional plan for ACR and Amaravati and for the delivery of urban services^a</p> <p>Jan–Dec 2026</p>	<p>The objective of this indicator is to establish institutional mechanisms that ensure inclusive, green, and resilient service delivery for Amaravati and its metropolitan region. This includes the creation of governance frameworks, disaster risk management, flood monitoring systems, a unified transport authority, and ring-fenced utilities for essential urban services. These mechanisms will enhance autonomy, sustainability, and efficiency in managing the urban services essential to Amaravati's development as a modern, resilient city.</p> <p>1. Governance and Institutional Plan:</p>	APCRDA	<p>1. Governance and Institutional Plan:</p> <ul style="list-style-type: none"> • The IVA will certify if the GOAP has adopted the medium-term governance and institutional plan for Amaravati Capital City and its metropolitan region by the end of 2026. Verification will include a review of the final, approved governance plan document and confirmation 	Annual

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>The State adopted a medium-term governance and institutional plan for ACR and Amaravati and for the delivery of urban services</p> <p>Disaster Risk Management and Flood Monitoring Agency for Amaravati operationalized</p> <p>Jan–Dec 2027 Unified Metropolitan Transportation Authority for ACR operationalized</p> <p>Jan–Dec 2028 A proposal for the legal structure of Amaravati city government has been approved by the Competent Authority</p> <p>Jan–Dec 2029 Service delivery arrangements for water and sewerage, drainage and storm water management has have been operationalized through a ring-fenced department or corporate entity or utility under Companies' act</p>	<p>By 2026, the GOAP will adopt a medium-term governance and institutional plan for the development and management of Amaravati and its metropolitan region. This plan will outline governance functions across —metropolitan, city level—to ensure effective management and development.</p> <p>The plan will empower the Amaravati City Government and other city/metropolitan agencies with:</p> <ul style="list-style-type: none"> ○ Greater autonomy, allowing them to operate with a higher delegation of powers compared to other cities in India, ensuring citizen participation. ○ With clear responsibility for capital investments and operation and management of specified urban functions and services, participatory urban planning and development. ○ Authority to recruit staff from the market to support specialized urban services. ○ The ability to set and collect tariffs, taxes and user charges, and access capital markets for debt financing, as applicable for each institution. <p>Apart from the above the attached TA will support the State in establishing a functional structure for each institution.</p> <p>Disbursement Criteria: ₹762.325 million for adopting the governance and institutional plan.</p> <p>2. Disaster Risk Management and Flood Monitoring Agency:</p> <p>By 2026, APCRDA will operationalize city-level agency and set up the mechanism for disaster risk management and flood risk mitigation in Amaravati, establishing procedures to coordinate with city and state-level agencies for disaster response and maintain an early warning system.</p> <p>Disbursement Criteria: ₹1,143.488 million for operationalizing the Disaster Risk Management and Flood Monitoring Agency.</p>		<p>that it outlines governance functions for Amaravati.</p> <ul style="list-style-type: none"> ● IVA will certify that the plan grants institutions' autonomy, market-based staff recruitment authority, and the ability to set tariffs, collect charges, and access debt financing as outlined. Verification will include reviewing the plan's empowerment provisions and their compliance with intended goals. <p>2. Disaster Risk Management and Flood Monitoring: The IVA will certify that by 2026, APCRDA has operationalized disaster risk management and flood monitoring agency in Amaravati. Verification will include reviewing documentation on established coordination procedures, early warning systems, and protocols for collaboration with city and state-level agencies.</p> <p>3. Unified Metropolitan Transportation Authority: IVA will certify if APCRDA has operationalized the UMTA to coordinate urban transport planning for the Amaravati Capital Region. Verification will include reviewing the operations document, governance structure, functions, and funding mechanisms for UMTA, along</p>	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>3. Unified Metropolitan Transportation Authority : By 2027, APCRDA will operationalize the UMTA, focusing on the integrated planning and implementation of urban transport in the Amaravati Capital Region. An operations document outlining UMTA's governance, structure, functions, and funding mechanisms will be adopted, along with the appointment of essential staff and establishment of a road safety committee.</p> <p>Disbursement Criteria: ₹1,143.488 million for operationalizing UMTA.</p> <p>4. Amaravati City Government:</p> <p>APCRDA will submit a proposal to establish a structured Amaravati City Government to the designated deciding authority, guiding the transition from a development phase to an operational city.</p> <p>Disbursement Criteria: ₹762.325 million for APCRDA's submission of the approved city government proposal.</p> <p>5. Operationalization of Utilities for Water and Sewerage:</p> <p>By 2029, APCRDA will establish a professionally staffed, ring-fenced department or corporate structure or entity under companies law for water, sewerage, drainage and storm water management, which will be responsible for operating and maintaining infrastructure, delivering services to residents, collecting user charges, and engaging the private sector where feasible to enhance service efficiency.</p> <p>Disbursement Criteria: ₹2,286.975 million for the successful operationalization of water and sanitation services under a dedicated professionally staffed, ring-fenced department or corporate structure or entity under companies law for water, sewerage, drainage and storm water management.</p>		<p>with evidence of essential staff appointments and road safety committee establishment.</p> <p>4. Amaravati City Government: IVA will certify that APCRDA has submitted a formal proposal to establish a structured Amaravati City Government to the designated Deciding Authority. Verification will include a review of the submission documentation and confirmation of its alignment with the planned governance transition from a development phase to an operational city.</p> <p>5. Operationalization of Utilities for Water and Sewerage: IVA will certify that APCRDA has established a dedicated ring-fenced corporate structure for water and sewerage services. Verification will include reviewing the organizational structure, staffing, operational procedures for service delivery, and documentation on user charges collection and private sector engagement.</p>	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>Total Disbursement: ¥6,098.60 million.</p> <p>Early/late achievement:</p> <p>Disbursements for both early and late achievement of DLI targets are allowed. This means the full planned disbursement amount for a target year can be released once the target is fully achieved, even if it is achieved later than scheduled, provided it occurs within the program's duration. Similarly, early disbursement is allowed if the target is achieved ahead of schedule.</p>			
DLI 3: By 2029, mechanism to mobilize private capital finance through land monetization and asset management adopted				
<p>Baseline: 2024: 0</p> <p>Prior Action: N/A</p> <p>Jan–Dec 2025 Overall financing plan for Amaravati Capital City adopted by APCRDA</p> <p>Policy for land and asset monetization with a long-term land management strategy adopted by APCRDA</p> <p>Jan–Dec 2026 Policy for land / asset monetization operationalized by APCRDA</p> <p>\$42 million private capital financing mobilized by APCRDA through land monetization and asset management</p> <p>Jan–Dec 2027</p>	<p>The goal of this indicator is to establish and implement a robust mechanism to mobilize private capital for the development of Amaravati through strategic land monetization and asset management. By leveraging Amaravati's land assets, the program aims to secure sustainable financing to support the city's growth and infrastructure needs.</p> <p>1. Overall financing plan. Preparation and adoption of an overall time-bound financing plan by APCRDA for Phases 1 and 2 of Amaravati covering different sources of financing, both public and private, including at least local taxes, user charges for services, land monetization, public-private partnerships, bonds, in line with the APCRDA Act, Chapter V and XII. The plan will cover both capital and operation & maintenance costs, tariffs to achieve financial cost recovery targets for water supply, sanitation, solid waste, transport, as well as institutional modalities and arrangements to roll out and implement the financing plan, over time.</p> <p>Disbursement target: ¥762.325 million for adoption of an overall financing plan for Amaravati Capital City.</p> <p>2. Land monetization and asset management policy. Adoption and operationalization of the land and asset management operational policy/strategy, in line with the APCRDA Act, with an operational manual</p>	APCRDA	<p>1. Overall Financing Plan: The IVA will certify adoption of the financing plan by APCRDA, ensuring alignment with the APCRDA Act as specified.</p> <p>2. Land monetization and Asset Management Policy: The IVA will certify if APCRDA has adopted a policy for land and asset monetization, in line with the APCRDA Act, and that the policy incorporates a role for private sector engagement. The IVA will check that APCRDA has established an execution modality for the policy, including reviewing the operational manual and confirming key staffing.</p> <p>3. Private Capital Financing: The IVA will certify private capital financing mobilization through APCRDA's accounting records, as per the requirement to capture private capital raised</p>	Annual

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>\$42 million additional private capital financing mobilized by APCRDA through land monetization and asset management</p> <p>Jan–Dec 2028 \$84 million additional private capital financing mobilized by APCRDA through land monetization and asset management</p> <p>Jan–Dec 2029 \$42 million additional private capital financing mobilized by APCRDA through land monetization and asset management</p>	<p>covering its governance, structure, functions, procedures and fund management, and appointment of key staffing as per the financing plan developed.</p> <p>Disbursement target:</p> <p>(i) ¥762.325 million for adoption of policy for land and asset monetization with a long-term land management strategy.</p> <p>(ii) Year 2: ¥1,524.650 million for operationalizing the policy. Total: ¥2,286.975 million</p> <p>3. Private capital financing. Mobilization of the private capital financing through land monetization and asset management, which will include all private capital raised by APCRDA through different modes of land transactions made by APCRDA, ADCL and/or any other entity set up for land monetization in Amaravati. The respective financing will be recorded separately, but an aggregate value will be used. Private capital includes both direct and indirect mobilization (e.g. pension funds). A private entity is defined as a legal entity that is (i) carrying out or established for business purposes and (ii) financially and managerially autonomous from national or local government. The allocation will incentivize early mobilization</p> <p>Disbursement target: ¥152.465 million per \$7.0 million mobilized (up to a maximum of ¥4,573.95 million).</p> <p>Total disbursement: ¥7,623.25 million</p> <p>Partial disbursement: Partial disbursements are allowed if a DLI target is partially achieved within the program’s duration. A proportionate disbursement may be released based on the level of achievement relative to the set target.</p> <p>Early/late achievement: Disbursements for both early and late achievement of DLI targets are allowed. The full planned disbursement amount for a target year can be released once the target is fully achieved, even if it is</p>		<p>through land monetization and asset management.</p>	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	achieved later than scheduled, provided it occurs within the program's duration. Similarly, early disbursement is allowed if the target is achieved ahead of schedule.			
DLI 4: By 2029, economic development unit established, anchor investors attracted, job skills provided, and new jobs created				
<p>Baseline: 2024: 0</p> <p>Prior Action: N/A</p> <p>Jan–Dec 2025 The State has established the Economic Development unit within Economic Development Board focused on Amaravati</p> <p>Jan–Dec 2026 5 anchor investors ready to establish in Amaravati</p> <p>4,250 beneficiaries, including 2,525 women and 850 youth, completed job focused training delivered through APCRDA based on skill census</p> <p>1,200 beneficiaries, including 700 women and 240 youth, with secured jobs</p> <p>Jan–Dec 2027 4 additional anchor investors ready to establish in Amaravati</p> <p>4,250 additional beneficiaries, including 2,525 women and 850 youth, completed job focused training delivered through APCRDA based on skill census</p>	<p>This indicator aims to support economic growth in Amaravati by establishing mechanisms to attract companies, promote skills development, and generate employment opportunities. Through an economic development unit, anchor investor attraction, skill training programs, and job placement support, this initiative will foster sustainable job creation in priority sectors for Amaravati's urban development.</p> <p>1. Economic Development Unit</p> <p>An economic development unit will be established within the state EDB with a focus on Amaravati, targeting sectors identified in the Socio-economic Masterplan (SEMP), 2018. The unit will implement mechanisms to attract companies and generate jobs in Amaravati. APCRDA will update the SEMP and adopt a strategic roadmap for Amaravati's economic growth, based on the revised SEMP. The roadmap will guide business development, investment attraction, and job creation efforts. The economic development unit will recruit personnel dedicated to both the planning and implementation of Amaravati's economic growth roadmap.</p> <p>Disbursement target: ₹2,286.975 million upon establishment of the Economic Development Unit within the State EDB, focused on Amaravati.</p> <p>2. Anchor Investors</p> <p>Promotion activities will be conducted to attract anchor investors (large, reputable entities) to Amaravati's nine economic clusters. APCRDA will work to secure agreements with anchor investors through Memorandum of understandings, with commitments of at least \$5 million in investments over five years. To</p>	APCRDA	<p>1. Economic Development Unit: The IVA will certify if economic development unit is established in the state EDB and mechanism is in place for attracting companies and generating jobs in Amaravati.</p> <p>2. Anchor Investors: The IVA will certify the number of anchor investors committed to investing over \$5 million in Amaravati and confirm that construction activities have commenced for each investor.</p> <p>3. Skill Training: The IVA will certify the number of individuals trained through APCRDA-sponsored trainings, as evidenced by outputs on the digital platform for trainees. Verification will include data disaggregated by gender, youth status, and prior occupation, with reporting provided by the Economic Development Unit for Amaravati.</p> <p>4. New Jobs: The IVA will certify the number of trainees who have secured jobs for a minimum of 150 days under DLI 6. Verification will be based on outputs from the digital platform, including self-reported income</p>	Semi-annual

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>3,000 additional beneficiaries, including 1,750 women and 600 youth, with secured jobs</p> <p>Jan–Dec 2028 5 additional anchor investors ready to establish in Amaravati</p> <p>4,250 additional beneficiaries, including 2,525 women and 850 youth, completed job focused training delivered through APCRDA based on skill census</p> <p>3,000 additional beneficiaries, including 1,750 women and 600 youth, with secured jobs</p> <p>Jan–Dec 2029 6 additional anchor investors ready to establish in Amaravati</p> <p>4,250 additional beneficiaries, including 2,525 women and 850 youth, completed job focused training delivered through APCRDA based on skill census</p> <p>4,800 additional beneficiaries, including 2,800 women and 960 youth, with secured jobs</p>	<p>qualify, anchor investors must have started construction activities in Amaravati and committed to contributing to the region’s economic clusters.</p> <p>Disbursement target: ₹114.349 million per anchor investor secured, up to a maximum of ₹2,286.975 million in total.</p> <p>3. Skill Training</p> <p>APCRDA will roll out skill training programs aligned with the needs of Amaravati’s development, focusing on urban services, construction, and green jobs. Training will prioritize women, youth, and low-income groups from Amaravati, the APCR, and Andhra Pradesh who express interest in pursuing employment in Amaravati. Green job skills will be based on the Skill Council for Green Jobs’ listings, with specific training types designed to address demands arising from Amaravati’s development, as identified in the updated SEMP. Training will cover urban construction, services, green skills, entrepreneurship, and small manufacturing, guided by APCRDA’s Training and Capacity Building Action Plan and budgeting will be done by APCRDA. Participants will report their satisfaction, effectiveness in job placement, and income improvements through a digital platform. Outcomes will be tracked and disaggregated by gender, age, and prior occupation, with specific attention to women, youth, and low-income participants.</p> <p>Disbursement target: ₹152,465.0 per trainee completing the program, with an additional 15% incentive for women and youth participants, up to a maximum of ₹3,049.30 million.</p> <p>4. New Jobs</p> <p>This sub-component measures the subset of beneficiaries who secure employment after completing skill training under this DLI. APCRDA or an authorized</p>		<p>data, disaggregated by gender, youth status, and income level.</p>	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>agency will organize demand-side activities, such as job fairs, to support job placements and help achieve employment targets, particularly for women, youth, and low-income groups.</p> <p>Employment status, income levels (pre- and post-training), and job duration (a minimum of 150 days within two years post-training) will be verified through the digital platform. The job tracking will cover various sectors and will be scalable from Year 1 (2025). Employment data will be disaggregated by gender, age, and geographic origin, specifically tracking outcomes for women, youth, low-income groups, and residents from villages within Amaravati, ACR, and Andhra Pradesh.</p> <p>Disbursement target: ₹190,581.25 per individual securing employment, with specific targets for women and youth participants, up to a maximum of ₹2,286.975 million in total.</p> <p>Partial Disbursement: Partial disbursements are permitted if a DLI target is partially achieved within the program's duration.</p> <p>Early/late achievement: Disbursements for both early and late achievement of DLI targets are allowed. This means the full planned disbursement amount for a target year can be released once the target is fully achieved, even if it is achieved later than scheduled, as long as it occurs within the program's duration. Disbursement will be considered even if the achievement is earlier than the targeted year.</p> <p>Total disbursement: ₹,9910.23 million.</p>			
DLI 5: By 2029, policies and programs operationalized for increased access to green and resilient affordable housing in Amaravati				
<p>Baseline: 2024: 0</p> <p>Prior Action: N/A</p> <p>Jan–Dec 2025</p>	<p>The goal of this indicator is to enhance access to green, climate-resilient affordable housing in Amaravati, particularly for economically vulnerable populations, low-income households, women (including women-headed households), youth, and other vulnerable groups. This includes developing a comprehensive policy and</p>	APCRDA	<p>1. Adoption of Green and Resilient Affordable Housing Plan: The IVA will certify the adoption of the green and resilient affordable housing plan for the ACR by APCRDA,</p>	Annual

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>Green and resilient affordable housing plan adopted</p> <p>Jan–Dec 2026 A policy issued by APCRDA on requirement for reservation of 10% of units in private sector residential development projects for green and resilient affordable housing or, in-lieu, monetary contribution equivalent provided by private sector residential developers</p> <p>Jan–Dec 2027 AHSF established and operationalized</p> <p>10% of affordable housing in private residential development projects reserved or, in-lieu, monetary contribution provided by private residential developers in the AHSF in 2027</p> <p>Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY 2027</p> <p>Jan–Dec 2028 10% of affordable housing in private residential</p>	<p>institutional framework, incentivizing private sector participation, and establishing funding mechanisms to support affordable housing.</p> <p>1. Improved Policy and Institutional Framework for Affordable Housing</p> <p>A Comprehensive Green and Resilient Affordable Housing Plan (Housing Plan) will be prepared and adopted through a G.O. to expand access to affordable, sustainable housing for different income groups in the APCR. The plan will outline targets, incentives, and subsidy programs for increasing affordable housing through both public and private investments. The plan mandates a 10% reservation for affordable housing units in private residential developments, or a monetary contribution equivalent to the cost of constructing the required units.</p> <p>Establishment of an Amaravati AHSF to collect contributions and promote affordable housing in Amaravati. AHSF means the fund to be established to promote and advance affordable housing initiatives in Amaravati to be funded by government proceeds, development levies, service charges, taxes, and contributions from private sector in support of meeting affordable housing objectives and targets set for Amaravati. The detailed procedures for operationalizing AHSF must be detailed in G.O.</p> <p>Disbursement Criteria:</p> <ul style="list-style-type: none"> • Year 1: ₹762.325 million upon adoption of the Housing Plan through a G.O. • Year 2: ₹1,524.650 million for the issuance of a G.O. mandating 10% affordable housing reservation in private developments or in-lieu monetary contributions, and the establishment of the Amaravati AHSF. • Year 3: ₹609.860 million for operationalizing the Amaravati AHSF, including staffing of key management positions. 		<p>including the establishment of the Amaravati AHSF. Verification will involve reviewing the GO and associated documentation that details the plan’s approval and the structure and objectives of the AHSF.</p> <p>2. Policy for Affordable Housing Reservation or In-Lieu Payment: The IVA will certify that APCRDA’s planning approval documents for approved residential development projects include provisions for a 10% reservation of affordable housing units or an in-lieu payment contribution to the Amaravati AHSF. The IVA will confirm this requirement is met in at least 20 approved residential development projects or for at least 200 affordable housing units, whichever is lower. Verification will involve examining the planning approval documents for these projects to ensure compliance.</p> <p>3. Affordable housing Shelter fund: The IVA will certify the records and documents related to establishment and operationalization of AHSF. The verification process will involve review of the document to confirm whether guideline and procedures are in place for AHSF.</p>	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>development projects reserved or, in-lieu, monetary contribution provided by private residential developers in the AHSF in 2028</p> <p>Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY 2028</p> <p>Jan–Dec 2029 10% of affordable housing in private residential development projects reserved or, in-lieu, monetary contribution provided by private residential developers in the AHSF in 2029</p> <p>Government housing buildings in the AGC or affordable housing buildings built in the Amaravati Capital City that conform to green building standard, incorporating climate resilience and energy efficiency in CY 2029.</p>	<p>Total: ₹2,896.835 million</p> <p>2. Implementation of Housing Plan Requirements</p> <p>The Housing Plan will be implemented according to an annual work plan, with a focus on ensuring that the 10% affordable housing requirement in private developments is met. Compliance with this mandate will contribute to the steady increase in green and resilient affordable housing units in Amaravati.</p> <p>Disbursement criteria: ₹762.325 million annually upon evidence of adherence to the 10% affordable housing reservation requirement in private residential developments, up to a maximum of ₹,2286.975 million in total.</p> <p>3. Delivery of Green and Resilient Housing Buildings</p> <p>Government-supported affordable housing units in the Amaravati AGC and other areas in the Amaravati will meet green building standards. Housing projects will be certified as per the IGBC or EDGE green housing standards, which emphasize climate resilience and energy efficiency.</p> <p>Projects achieving certification through IGBC or EDGE will qualify for compliance, ensuring that all government-supported affordable housing aligns with sustainability goals.</p> <p>Disbursement criteria: ₹2,286.975 per square meter of government-supported affordable housing in Amaravati and/or in AGC certified under IGBC or EDGE standards, up to a maximum of ₹2,286.975 million in total.</p> <p>Total Disbursement: ₹7,470.790 million.</p> <p>Partial disbursement: Partial disbursements are permitted when a DLI target is partially achieved within the program's duration.</p>		<p>4. Delivery of Green and Resilient Government Housing: The IVA will certify the delivery of green and resilient government housing buildings in Amaravati by reviewing issued building certificates of construction completion. Verification will also include confirming that each housing project has received green certification through the IGBC, EDGE, or an equivalent green building certification. The IVA will inspect certification documentation to verify that government-supported housing meets the defined sustainability standards.</p>	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>Early/late achievement: Disbursements for both early and late achievement of DLI targets are allowed. This means the full planned disbursement amount for a target year can be released once the target is fully achieved, even if it is later than scheduled, as long as it occurs within the program's duration. Similarly, early disbursement is allowed if the target is achieved ahead of schedule.</p> <p>investments, including the mandatory reservation</p>			
DLI 6: By 2029, full participatory system for grievance redressal and outreach in place with gender and social inclusion focus to develop communities				
<p>Baseline: 2024: 0</p> <p>Prior Action: N/A</p> <p>Jan–Dec 2025 Participatory mechanisms established, especially for women, low-income, minorities and vulnerable groups</p> <p>Jan–Dec 2026 Participatory mechanisms are maintained and used in CY2026</p> <p>Jan–Dec 2027 Participatory mechanisms are maintained and used in CY2027</p> <p>Jan–Dec 2028 Participatory mechanisms are maintained and used in CY2028</p> <p>Jan–Dec 2029 Participatory mechanisms are maintained and used in CY2029</p>	<p>1. Gender Specialist Appointment in the ESMU</p> <p>A Gender Specialist will be appointed within APCRDA's ESMU to lead initiatives for gender inclusion and community participation. The Gender Specialist will ensure that the needs of women and other vulnerable groups are integrated into planning and decision-making processes for urban development. The specialist will work to foster inclusive practices across APCRDA activities, advising on gender-sensitive policy integration, and creating engagement opportunities for marginalized groups.</p> <p>2. Revival of the Citizen's Advisory Committee</p> <p>The Citizen's Advisory Committee will be revived to provide regular input to the APCRDA, including a diverse representation of women, youth, and interest groups such as farmers, business leaders, civic/community leaders, educational institutions, academia, think tanks, and nongovernmental organizations representing landless populations and workers.</p> <p>Objective: This committee will serve as a platform for community voices to inform urban planning and ensure that Amaravati's development aligns with the needs of its residents, especially marginalized groups.</p> <p>3. Community Participation Fostering</p>	APCRDA	<p>The IVA will certify that the participatory mechanisms established by APCRDA are substantially operational by 30 June of each designated year, with evidence that these mechanisms are maintained and used while meeting the corresponding KPIs.</p> <p>The IVA will certify that the citizen's advisory committee and village-level community groups actively include representatives from women, youth, low-income groups and other vulnerable populations, ensuring that inclusivity requirements are fulfilled.</p>	Annual

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>Community engagement will be fostered through mechanisms, enabling regular and structured input from residents on development plans. Community consultations and feedback sessions will be organized to ensure all voices are heard. Particular emphasis will be given to fostering participation among women, low-income groups and vulnerable groups, with targeted engagement activities and feedback opportunities for these populations.</p> <p>4. Creation of RWAs</p> <p>RWAs will be established within government and public housing complexes to ensure better operation and maintenance. These associations will include women representatives and other community leaders, enabling residents to advocate for improvements and share maintenance responsibilities.</p> <p>RWAs will facilitate communication between residents and APCRDA, promoting accountability in public housing and empowering residents, especially women, to have a say in housing management.</p> <p>5. Improvement of Communication Channels and Grievance Redress Systems</p> <p>APCRDA will enhance existing communication channels and grievance redress systems by creating both physical and digital platforms. These platforms will allow residents, including women, low-income groups and other vulnerable populations, to share ideas, provide feedback, and report issues related to development projects.</p> <p>The system will include dedicated sub-channels for vulnerable groups to foster a sense of inclusion and encourage their participation in the city's development process.</p>			

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>6. Inclusion of Sub-Mechanisms for Vulnerable Groups</p> <p>To ensure broad representation, selected participatory mechanisms will include dedicated sub-mechanisms specifically for women, low-income groups, and other vulnerable populations, fostering their representation across all engagement platforms. KPIs for each participatory mechanism will be developed by APCRDA for setting clear benchmarks for participation, representation, and impact, with a focus on achieving tangible outcomes in inclusive urban governance.</p> <p>Disbursement Criteria: (i) ¥152.465 million per new participatory mechanism established and/or (ii) ¥152.465 million per calendar year for each existing participatory mechanism maintained during or used during the program implementation period.</p> <p>Total Disbursement: ¥,3811.63 million (¥152.465 million X 5 participatory mechanisms X 5 years)</p> <p>Partial disbursement: Partial disbursements are allowed if a DLI target is partially achieved within the program's duration. A proportionate disbursement may be released based on the level of achievement relative to the set target.</p> <p>Early/late achievement: Disbursements for both early and late achievement of DLI targets are allowed. The full planned disbursement amount for a target year can be released once the target is fully achieved, even if it is achieved later than scheduled, provided it occurs within the program's duration. Similarly, early disbursement is allowed if the target is achieved ahead of schedule</p>			
DLI 7: By 2029, climate-informed trunk and flood mitigation infrastructure delivered				
Baseline: 2024: 0	a. This indicator supports the development of climate-informed infrastructure, enhancing the resilience of	APCRDA and ADCL/PgMC	1. Commencement of Climate-Informed	Semi-annual

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>Prior Action: N/A</p> <p>Jan–Dec 2025 Construction activities of climate-informed infrastructure commenced</p> <p>Jan–Dec 2026 -</p> <p>Jan–Dec 2027 APCRDA accepted the completed and commissioned climate-informed infrastructure in CY2027</p> <p>Jan–Dec 2028 APCRDA accepted the completed and commissioned additional climate-informed infrastructure in CY2028</p> <p>Jan–Dec 2029 APCRDA accepted the completed and commissioned additional climate-informed infrastructure in CY2029</p>	<p>Amaravati’s urban environment. The objective is to commence and complete critical infrastructure projects, including trunk roads, flood mitigation, and public transport facilities, all of which incorporate climate adaptation and mitigation measures to meet long-term sustainability goals. This indicator will guide the structured delivery of resilient infrastructure through validated standards for quality, accessibility, and environmental compliance.</p> <p>b. Overall Concept: “Climate-Informed Infrastructure” refers to green and resilient trunk infrastructure, flood mitigation infrastructure, and bus terminals for Phase 1. These are planned, implemented, and managed in alignment with the Amaravati Sustainable Urban Guidelines, accounting for changing climate conditions. The infrastructure is designed to withstand, respond to, and recover from weather-related disruptions, ensuring continuity of essential services. Compliance with these concepts is outlined in the following points for verification purposes. This should be part of the Program Expenditure Framework.</p> <p>c. Trunk Infrastructure: This includes the major arterial and sub-arterial roads: E1, E3, E6, E8, E9, E14, N6, N9, N11, N12, N15, and N8, as well as associated utility corridors (e.g., ducts for water, sewerage, drainage, and communications) as outlined in the DMP. It also covers connections between trunk and neighborhood infrastructure, in line with the DMP. All roads under the program must achieve the minimum standards of Indian Road Congress or 3-star iRAP rating or higher.</p> <p>d. In cases where surface-level or underground activities along the same alignment are divided into separate contracts (e.g., sidewalk contracts separated from the main carriageway contract), eligibility will require that all contracts for a given section be signed and meet the verification criteria. This requirement will not apply to above-street-level activities.</p>		<p>Infrastructure Activities: The IVA will certify the value of climate-informed infrastructure activities is based on the contract value of projects led by ADCL and APCRDA. Verification will include ensuring that the commencement date has been confirmed by the PgMC as per the terms outlined in each contract.</p> <p>2. Delivery of Climate-Informed Infrastructure: The IVA will certify the volume of infrastructure activities completed by confirming that APCRDA/ADCL have issued certificates of acceptance. This will require evidence from the PMC and PgMC, validating that each completed activity meets contractual requirements and performance standards.</p>	

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>e. The following key features will be reviewed to confirm compliance with point b:</p> <ul style="list-style-type: none"> (i) For trunk roads, design should be based on 100 million standard axles, with a finished level above high flood levels of the Vagus. (ii) Trunk infrastructure on sub-arterial roads should include space allocation for bus rapid transit corridors. (iii) Walkways should have a width of more than 2.5 meters and cycling tracks should also be more than 2.5 meters wide. (iv) Use of energy-efficient street lighting. (v) For flood mitigation, designs should include a return period of 1-in-5 years for small infrastructure (e.g., stormwater drains) and a return period of 1-in-100 years for large critical infrastructure. <p>f. Flood Mitigation Infrastructure: This includes:</p> <ul style="list-style-type: none"> (i) Widening and deepening of Kondaveeti Vagu and Pala Vagu; and (ii) Construction of a gravity canal, flood pumping stations, and retention reservoirs at Krishnayapalem, Sakhamuru, and Neerukonda. <p>1. Commencement of Climate-Informed Infrastructure Activities</p> <p>As per the GOAP procedure, APCRDA and ADCL will formally close previously awarded contracts amicably considering any contractor's materials or equipment on site, and update the bill of quantities before calling fresh tenders.</p> <p>Procurement for these activities shall follow the Standard Bidding Document used by ADCL and APCRDA for the program, incorporating the environmental and social clauses as outlined in the Program Action Plan.</p>			

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>The Commencement Date refers to the date defined in the contracts for these activities, as confirmed by the PgMC.</p> <p>Disbursement target: ¥152.465 million per \$7.5 million of climate-informed infrastructure activities reaching the commencement stage, scalable up to ¥12,959.525 million in total.</p> <p>2. Delivery of Climate-Informed Infrastructure</p> <p>This component tracks the completion, testing, and commissioning of main infrastructure, measured as follows:</p> <ul style="list-style-type: none"> ○ Trunk Infrastructure: Kilometers of road length and associated utility corridors such as ducts for water, sewerage, drainage and communications are completed. ○ Flood mitigation Infrastructure: Kilometers of upgraded flood protection infrastructure. ○ Public Transport Infrastructure: Completed depot and terminal. <p>Infrastructure completion will be validated by the PMC and the PgMC to confirm compliance with contracted requirements, performance standards, testing, commissioning, and the availability of digital as-built drawings. Each road segment will undergo accessibility testing by a wheelchair user.</p> <p>Disbursement formula: Disbursement is calculated using the formula: $4 \cdot T + 4 \cdot F + 2 \cdot TI$ ¥ million, where: T = kilometers of completed trunk infrastructure, F = kilometers of completed flood protection infrastructure (vagus upgraded), TI = number of completed public transport facilities.</p> <p>Disbursement target: Up to ¥39,640.9 million, scalable based on the completion and acceptance of infrastructure by APCRDA on due validation by PMC and PgMC.</p>			

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>Total Disbursement: Up to ₹52,600.43 million.</p> <p>Partial disbursement: Partial disbursements are allowed if a DLI target is partially achieved within the program's duration.</p> <p>Early/late achievement: Disbursements for both early and late achievement of DLI targets are permitted. Full disbursement can be made if the target is fully achieved later than planned, as long as it occurs within the program's duration. Early disbursement is also allowed if the target is reached ahead of schedule.</p>			
DLI 8: By 2029, urban space with improved access to sustainable infrastructure and services, green transport, and recreational space				
<p>Baseline: 2024: 0</p> <p>Prior Action: N/A</p> <p>Jan–Dec 2025 -</p> <p>Jan–Dec 2026 -</p> <p>Jan–Dec 2027 2,400 parcels connected to (i) Sustainable Urban Infrastructure and Services; (ii) Public Transport Services; and (iii) Blue/Green Amenities</p> <p>Jan–Dec 2028 3,200 parcels connected to (i) Sustainable Urban Infrastructure and Services; (ii) Public Transport Services; and (iii) Blue/Green Amenities</p> <p>Jan–Dec 2029</p>	<p>The objective of this indicator is to support the transformation of rural land pooled under the Amaravati land pooling scheme into vibrant, livable urban spaces. This transformation involves the development of parcels of land, designated for either residential or commercial use, that meet high standards of urban infrastructure, sustainable services, public transport connectivity, and access to green and blue amenities. These infrastructure and service improvements aim to create a resilient, inclusive, and climate-adapted urban environment, contributing to Amaravati's long-term growth and livability goals.</p> <p>The program's progress in creating sustainable, livable urban spaces will be measured using a CLI, which tracks each parcel's connectivity to critical infrastructure, transport, and recreational facilities. Disbursements will be made based on improvements in connectivity, supporting an incremental approach toward achieving Amaravati's vision as a modern, climate-resilient city.</p> <p>Parcel. A parcel refers to a developed plot of land that will be allocated to landowners who participated in the Amaravati LPS within LPS Zones 1, 2, 3, 5B, 5D and 6. Parcels are designated for either residential or commercial use.</p>	APCRDA	The IVA will certify parcel within the APCRDA database through sample analysis and confirm the cumulative CLI value upon request by APCRDA. For a parcel to qualify as connected to resilient infrastructure and sustainable services, the IVA will also confirm that APCRDA has formally accepted the infrastructure delivery prior to its operational use.	Annual

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
<p>2,400 parcels connected to (i) Sustainable Urban Infrastructure and Services; (ii) Public Transport Services; and (iii) Blue/Green Amenities</p>	<p>3. Urban Space Development and Connectivity Standards</p> <p>Parcels will be connected to sustainable urban infrastructure and services, public transport options, and green and blue amenities, transforming former rural land into vibrant urban spaces. This development aligns with the program's goals of building a resilient, green, and inclusive urban environment that meets livability standards.</p> <ul style="list-style-type: none"> • Sustainable Urban Infrastructure and Services: <ul style="list-style-type: none"> ○ Roads: Climate-resilient roads equipped with sidewalks and stormwater drainage. ○ Water Supply: 24x7 water connections with residual chlorine levels and pressure maintained per applicable standards. ○ Sewage Management: Connection to a functional sewage treatment plant through a piped collection system, including customer billing. ○ Power ducts • Public Transport Access: <ul style="list-style-type: none"> ○ Bus Stop: Accessible within 1 kilometer from each parcel. ○ Bus Rapid Transit Stop: Accessible within 2 kilometers, via pedestrian infrastructure and/or non-motorized transport facilities. • Green and Blue Amenities Access: <ul style="list-style-type: none"> ○ Park Access: Within 1 kilometer walking distance to a designated park with blue (water-based) and green (landscaped) amenities in Phase 1. • Data Tracking and Updates: The APCRDA will track and update parcel data, specifically recording the values for infrastructure, public transport, and amenities connections in the parcel database (https://gis.apcrda.org/lps/index.html). Updates will 			

Disbursement-Linked Indicators	Definition and Description of Achievement	Information Source and Frequency	Verification Agency and Procedure	Verification Time Frame
	<p>be added annually or as new services impacting parcel groups are commissioned.</p> <ul style="list-style-type: none"> Annual Assessment: The cumulative value of connectivity for parcels under the program will be assessed yearly. Note that no payments will be made for parcels that have been subdivided beyond the original configuration. Composite Livability Index formula: To measure connectivity to sustainable services, public transport, and recreational space, a CLI will be applied to each parcel based on its level of connectivity. The CLI is calculated as follows: CLI(p,y) = 76*a(p,y) + 17*b(p,y) + 7*c(p,y) a(p,y) = 1 if parcel p is connected to sustainable urban infrastructure and services in year y; otherwise a = 0. b(p,y) = 1 if parcel p is connected to green public transport infrastructure in year y; otherwise b = 0. c(p,y) = 1 if parcel p is within 1 kilometer of a designated park with green/blue amenities in year y; otherwise c = 0. <p>Disbursement formula: The CLI determines payment, calculated as follows: ¥33,542.3 * (sum [CLI(p,y) - CLI(p,y-1)])</p> <p>This formula incentivizes improvement in connectivity for parcels by measuring the increase in CLI from the previous year.</p> <p>Total Disbursement: Up to a maximum of ¥ 26,681.375 million.</p>			

ADCL = Amaravati Development Corporation Limited, AHSF = Affordable Housing Shelter Fund, APCR = Andhra Pradesh Capital Region, APCRDA = Andhra Pradesh Capital Region Development Authority, BRT = bus rapid transit, CLI = Composite Livability Index, CY = calendar year, DLI = disbursement-linked indicator, DMP = Detailed Master Plan, EDB = Economic Development Board, EDGE = Excellence in Design for Greater Efficiencies, ESMU = environmental and social management unit, Environment and Social safeguards = E&S, FM = finance and management, FY = Fiscal Year, GO = Government Order, GOAP = Government of Andhra Pradesh, ICT = Information and Communication Technology, IGBC = Indian Green Building Council, iRAP = International road awareness programme

IVA = Independent Verification Agency, KPI = key performance indicator, LPS =land pooling scheme, N/A = not applicable, PgMC = program management consultant, PMC = project management consultant, RWA = Residents' Welfare Associations, SEMP = social-economic master plan, UMTA = Unified Metropolitan Transportation Authority, Y1-Y4 = Year 1 to Year 4.
Source: Asian Development Bank.

D. Disbursement Allocation and Status

4. The loan proceeds will be disbursed following ADB's *Loan Disbursement Handbook* (2022, as amended from time to time),⁷ and detailed arrangements agreed between the borrower and ADB.

5. Disbursement of loan proceeds will be made to an account to be designated by the borrower based on the verification of achievement of DLIs for which disbursement is requested. The Program includes a provision for advance financing of 25% of the loan amount. When the borrower submits a withdrawal application for the achieved DLIs, any outstanding advances must be liquidated before any disbursements are made.⁸ The borrower must refund any unliquidated advances within 2 months after the winding-up period. It also includes financing for prior results of JPY762.325 million (0.63% of loan amount) for DLI 1 on the establishment of E&S unit within APCRDA. The achievement of this indicator will be verified by IVA. The prior result is expected to be achieved prior to loan effectiveness, and no earlier than 12 months before the signing of the loan agreement.⁹ The combined outstanding balance of advance financing and the amount for financing prior results should not exceed 30% of total ADB financing or their respective ceilings. Where achievements are partial, partial disbursements may be made as per the verification protocol.

6. All DLIs must be achieved on or before the RBL program's completion date.¹⁰ If a DLI is not achieved or not fully achieved by the RBL program completion date, the amount allocated to the portion of the DLI not achieved or not fully achieved will be canceled. Evidence of achievement of DLIs must be submitted with the withdrawal application. The borrower will have a winding-up period, which ends 4 months after the RBL program's completion date, for submitting withdrawal applications to ADB. If the amount of ADB financing disbursed exceeds the total amount of the government-owned program's expenditures (excluding expenditure pertaining to procurement from nonmember countries, unless universal procurement has been approved) after the winding-up period and final disbursement has been made, the borrower should refund the difference to ADB within 6 months after the RBL program completion date.

7. Before the submission of the first withdrawal application, the borrower will submit to ADB the evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. Use of ADB's Client Portal for Disbursements¹¹ system is encouraged for submitting withdrawal applications to ADB.

⁷ The handbook is available electronically from the ADB website. ADB. [Loan Disbursement Handbook](#).

⁸ If the amount(s) of the achieved DLI(s) submitted in the withdrawal application exceeds the amount of the outstanding advance, the excess will be treated as reimbursement to the government.

⁹ ADB may agree to provide up to 20% of ADB financing for financing for prior results.

¹⁰ Under RBL, the program completion date is the same as the loan closing date.

¹¹ The portal facilitates the online submission of withdrawal applications to ADB, resulting in faster disbursement. The forms the borrower needs to complete are available in ADB. [Guide to the Client Portal for Disbursements](#).

Expected Disbursement Allocation and Schedule

Table 5: Expected Disbursement Schedule^a
(JPY (¥) million as of November 2024)

Disbursement-Linked Indicators	Total ADB Financing Allocation	Share of Total ADB Financing (%)	Financing for Prior Results	Jan-Dec 2025	Jan-Dec 2026	Jan-Dec 2027	Jan-Dec 2028	Jan-Dec 2029
1. By 2028, operational systems and mechanisms established and strengthened for program delivery	7,775.72	6.38	762.33	3,964.09	1,829.58	914.79	304.93	-
2. By 2029, institutional mechanisms for inclusive, green and resilient service delivery established	6,098.60	5.00	-	-	1,905.81	1,143.49	762.33	2,286.98
3. By 2029, mechanism to mobilize private capital finance through land monetization and asset management adopted	7,623.25	6.25	-	1,524.65	2,439.44	914.79	1,829.58	914.79
4. By 2029, economic development unit established, anchor investors attracted, job skills provided, and new jobs created	9,910.23	8.13	-	2,286.98	1,539.90	1,882.94	1,882.94	2,317.47
5. By 2029, policies and programs operationalized for increased access to green and resilient affordable housing in Amaravati	7,470.79	6.13	-	762.33	1,524.65	2,896.84	1,524.65	762.33
6. By 2029, full participatory system for grievance redressal and outreach in place with gender and social inclusion focus to develop communities	3,811.63	3.13	-	762.33	762.33	762.33	762.33	762.33
7. By 2029, climate-informed trunk and flood mitigation infrastructure delivered	52,600.43	43.13	-	12,959.53	-	15,856.36	19,820.45	3,964.09
8. By 2029, urban space with improved access to sustainable infrastructure and services, green transport and recreational space	26,681.38	21.88	-	-	-	8,004.41	10,672.55	8,004.41
Total	121,972.00	100.0	762.33	22,259.89	10,001.70	32,375.94	37,559.75	19,012.39

Source: Asian Development Bank.

III. EXPENDITURE FRAMEWORK AND FINANCING

A. Expenditure Framework

Expected Expenditure Framework

Table 6: Summary of Program Expenditure Framework, 2025–2029

Item	Amount (\$ million)	Share of Total (%)
Institutional strengthening and capacity building activities, job skill trainings and social support, and technical assistance to improve governance and service delivery	57.0	3.2
Program management cost	27.8	1.6
Trunk infrastructure (including road, water, electricity, drainage, sanitation, flood mitigation works, ICT, walk and cycle paths, and public transport)	883.0	49.8
Neighborhood level infrastructure (including municipal streets, walk and cycle paths, utility connection, and blue green infrastructure)	474.0	26.7
Green and resilient government housing	330.0	18.6
Front end fee ^a	2.0	0.1
Total	1,773.80	100.0

ICT = information and communication technology.

^a Front-end fee applies to the World Bank financing. The government will bear the financing charges (commitment fee and interest during the grace period) and the same are not included as a part of Program expenditure.

Source: Asian Development Bank and the World Bank estimates.

B. Program Financing

Expected Financing Plan

Table 7: Program Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Government	185.0	10.4
Development partners		
Asian Development Bank		
Ordinary capital resources (loan)	788.8 ^a	44.5
World Bank	800.0	45.1
Total	1,773.8	100.0

^a To be provided in equivalent JPY121,972,000,000.

Source: Asian Development Bank and World Bank estimates.

IV. PROGRAM SYSTEMS AND IMPLEMENTATION ARRANGEMENTS

8. The Andhra Pradesh Capital Region Development Authority (APCRDA), established under the APCRDA Act of 2014, will serve as the lead executing agency responsible for the coordination, monitoring, and execution of key program activities. These activities include the development of trunk and neighborhood infrastructure, the Amaravati Government Complex, skill development initiatives, capacity-building programs, and institutional strengthening efforts. The program's implementation will utilize existing systems and procedures established by the DMC, and any specific guidelines or handbooks developed by the DMC to support program implementation will complement this framework. The APCRDA is governed by an Executive Committee, which makes major decisions regarding investment planning and project approvals. The day-to-day management is overseen by the Commissioner of APCRDA, who is supported by a team of professionals with expertise in infrastructure, urban planning, and environmental management. APCRDA has established two specialized technical committees: (i) a transport

committee responsible for transport infrastructure projects and coordination with various urban centers, and (ii) an environment regulatory authority and committee focused on managing environmental safeguards. These committees function within the existing governance systems of the DMC.

9. The Amaravati Development Corporation Limited (ADCL), established under the Companies Act of 2013, is responsible for implementing specific civil works related to trunk infrastructure and flood mitigation. ADCL manages the procurement of contractors and consultants, ensuring design quality and supervising infrastructure works. ADCL's role is defined under an inter-agency agreement with APCRDA, and it charges a management fee for its services. Over time, as Amaravati's infrastructure develops, new governance institutions will take on additional roles in city management.

10. To support program management and ensure effective implementation, APCRDA will appoint a Program Management Consultant (PgMC). The PgMC will assist in areas such as program management, design quality assurance, and oversight of environmental and social (E&S) safeguards. In addition, the PgMC will coordinate with Project Management Consultants (PMCs) who will oversee the execution of major trunk infrastructure projects, particularly in Land Pooling Scheme (LPS) neighborhoods.

A. Monitoring and Evaluation System

Summary of Monitoring and Evaluation System for the Proposed RBL

11. The M&E system for the Amaravati RBL program will be implemented through the APCRDA, the executing agency for the program. The APCRDA will oversee the coordination of data collection and reporting across the program's various components. It will be supported by the PgMC, which will provide assistance in the areas of monitoring and evaluation. The PgMC will have dedicated M&E personnel responsible for managing data collection from field activities, monitoring progress on key performance indicators, and ensuring timely reporting on both disbursement-linked indicators (DLIs) and non-DLIs. Additionally, the APCRDA will be supported by the Independent Verification Agency (IVA) for performance monitoring and evaluation and for validating the results. To further strengthen M&E capacity, training will be provided to the M&E staff on data collection and reporting protocols, ensuring that they are equipped to meet the program's M&E requirements. While the APCRDA has prior experience with urban development projects, the complexity of the Amaravati RBL program will require enhanced M&E skills and technical capacity, which will be addressed through targeted capacity-building initiatives.

12. The operational framework of the M&E system will include an integrated digital platform for data collection and management. This platform will track key performance indicators and DLI progress, enabling the PgMC and IVA to efficiently monitor and evaluate program achievements. The data will be sourced from field-level activities, including regular surveys, reports, feedback mechanisms, and third-party evaluations. The quality of data will be ensured through validation processes built into the system. Reporting arrangements will involve quarterly progress reports and annual reviews, with updates on DLI achievement made available to stakeholders. To promote transparency, the status will be disclosed publicly on a regular basis, which will allow affected communities to monitor progress and provide feedback on program activities. The community engagement mechanism will ensure that citizens can voice their concerns and track how the program is delivering on its commitments.

13. The evaluation of the program will be conducted through regular internal reviews by the APCRDA, supplemented by external assessments from the IVA. The IVA will play a crucial role in validating the achievement of DLIs and non-DLIs, ensuring impartial evaluations and accountability in reporting. The program will also undergo periodic evaluations supported by the Asian Development Bank (ADB) and the World Bank to assess overall performance and suggest necessary adjustments. These evaluations will focus on both the outcomes of the program and the effectiveness of implementation processes.

14. During implementation, quarterly and annual review reports will be prepared, and a mid-term review will be conducted in 2026. Annual progress reports will include annual updates on compliance with loan covenants, along with the other required matters (e.g., achievement against the design and monitoring framework (DMF), status of PAP actions, financial reports, semi-annual updates on compliance with environmental and social safeguards, among others). Within 12 months of loan closing of the program, APCRDA will produce a program completion report that will be shared with ADB.

B. Fiduciary Systems

1. Financial Management System

a. Summary of the Financial Management System and Actions

15. The financial management arrangements for the RBL program will follow the financial management system of GOAP, APCRDA and ADCL for planning, budgeting, execution, accounting and internal control, financial reporting, and internal auditing. External audits will be conducted separately for program expenditure defined in the RBL boundary. The program fiduciary systems assessment has assessed the program financial management risk as high. Key risks identified include: (i) untimely provision of funds by the state government for externally assisted projects, (ii) audited entity financial statements of APCRDA and ADCL are overdue, (iii) capacity of financial staff needs strengthening, and (iv) lack of fixed asset register. To mitigate the actions, APCRDA and ADCL agreed to include strengthening of financial management systems including the preparation of accounting manual for both entities, establishment of fixed asset register, and reduction of audit backlog as a DLI. Further, the engagement of an external audit firm to conduct the program audit, engagement of key finance professional staff, preparation of program financial management manual, inclusion of the program in the internal audit plan, review and addressing of audit findings by an audit committee formed for this purpose were agreed to be included in the mitigation action plan.

16. **Accounting and financial reporting.** APCRDA and ADCL will maintain separate accounts and records for the Amaravati Inclusive and Sustainable Capital City Development Program. ADCL will submit financial reports to APCRDA for the trunk infrastructure component. APCRDA will prepare consolidated program financial statements following Indian Government Accounting Standards on a cash basis. For both entities, all transactions will be processed through their computerized accounting system (Tally) and a separate program ledger will be maintained in the system. Separate sub-account codes for the program activities will be maintained to ensure program accounting and reporting.

17. **Auditing and public disclosure.** A separate program audit will be conducted for the project by an auditor empaneled by the Comptroller and Auditor General following the auditing standards issued by the Institute of Chartered Accountants in India. The audit terms of reference

is in Appendix 1. ADB will disclose on its website the program financial statements and the auditors' report thereon within 14 days of their acceptance, following ADB's Access to Information Policy.¹²

18. The audited program financial statements and the auditors' report will be submitted in English language to ADB within 6 months after the close of the government's fiscal year. ADB reserves the right to require a change in the auditor (in a manner consistent with the laws and regulations of the government) or require additional support to be provided to the auditor if the audits required are not conducted in a manner satisfactory to ADB or if the audits are substantially delayed.

19. The integrated risk assessment and mitigation action are in Table 10 while the Program Action Plan (PAP) is in Table 11. Both tables include the key financial management actions.

2. Procurement System

b. Summary of the Procurement System and Actions

20. **Procurement profile.** The proposed program will involve works contracts for trunk, housing and basic infrastructure that includes roads, water supply, sewerage, storm water drainage and other utilities, green space, infrastructure facilities, and low-end housing. Notably, these works shall include high value procurement contracts exceeding the current ADB threshold of \$50 million for works under an exceptional approval.

21. All procurement actions will be subject to the provisions of the State Procurement rules and government orders. Therefore, credibility and reliance on implementation within the framework of the GOAP system is crucial for the program's success and achievement of outcomes. The procurement shall be carried out using GOAP e-procurement system, which is well established for more than 15 years for fair, transparent, and competitive procurement activities.

22. Standard bid documents shall be prepared by APCRDA in coordination with ADCL for all types of packages. The harmonized fraud and anticorruption measures and restrictions for participation of cross-debarred agencies of ADB and the World Bank shall be included.

23. The procurement shall be handled centrally by the procurement wing of both implementing agencies, which shall also function as the secretariat for the Procurement Committees/Tender evaluation Committees, and be responsible for the procurement process including qualifications criteria, bid documents preparation and validation, evaluation of bidders, and contract award. These committees shall comprise representation from various line departments of GOAP, including finance, procurement, technical experts, and members from other departments according to project requirements. The recommendation of these committees shall be approved as per the delegation of power within implementing agencies' management.

24. The overall project procurement risk is assessed as 'High.' Key risks were identified during initial due diligence, such as (i) absence of procurement act, lack of established procurement procedures, standard bid documents, procurement manuals and procurement strategy covering operations and maintenance; (ii) previously awarded packages stalled due to shift in GOAP

¹² ADB. 2018. [Access to Information Policy](#).

priorities and to be closed as they may pose potential litigation issues; (iii) absence of an online tracking mechanism for monitoring of procurement performance; (iv) no substantial procurement of such magnitude and complexity done in last 5 years; (v) weak staff strength and expertise, lack of established capacity development program, no prior experience with ADB projects; and (vi) lack of robust complaint management system and related fraud and integrity risks measures.

25. Important proactive measures have been agreed upon to mitigate procurement-related risks, such as (i) conclusion of the awarded stalled contracts with a clear timeline and condition that the new package shall not be tendered before such closure; (ii) establishing an ICT-based monitoring system through a set of key performance indicators for tracking procurement processes, contract management activities, fraud and anti-corruption measures, environment and social safeguard; (iii) procurement staff augmentation, reorientation and training of APCRDA and ADCL for strengthening staff capacity by building on existing state/agency procurement procedures, knowledge, and providing training on ADB's RBL modality and procurement guidelines; and (iv) streamlining of a robust complaint handling system to ensure effectiveness in identifying and managing potential integrity issues.

3. Anticorruption System

c. Summary of Anticorruption System and Actions

26. APCRDA plays a key role in ensuring transparency in infrastructure development. However, with Amaravati's development being a large-scale initiative, it is essential to reinforce anti-corruption mechanisms at the program and project levels. By linking financing to measurable outcomes—such as infrastructure development, climate resilience, and governance reform—the program minimizes opportunities for corruption. This results-driven approach ensures that public expenditures are directly aligned with the development objectives and that funds are disbursed only when specific milestones are met. This not only ensures the efficient use of resources but also reduces the risk of misappropriation, as payments are tied to outcomes rather than inputs.

27. The G.O.Ms. 94, which includes provisions for debarment in cases of misrepresentation or false declarations are adhered by APCRDA and ADCL. The list of debarred suppliers is published on their websites for public access. Both the IAs follow the Classification, Control, and Appeal (2002) guidelines for integrity and transparency measures, which are incorporated into bid documents. However, a well-established robust system does not exist for regular tracking of the internal control and integrity measures.

28. The Andhra Pradesh Anti-Corruption Bureau plays a critical role in combating corruption at the state level. The Anti-Corruption Bureau is responsible for investigating and prosecuting cases of corruption among public officials, ensuring transparency and accountability within the government. The bureau operates through a network of vigilance officers and public grievance mechanisms, which allow citizens to report instances of corruption. This institutional framework supports the state's broader efforts to uphold integrity and enforce anti-corruption measures, especially in large infrastructure projects like Amaravati's development.

29. The government will instruct all relevant agencies¹³ to (i) comply with the requirements of ADB's RBL anticorruption guidelines, (ii) ensure that any person or entity debarred or temporarily suspended by ADB is not eligible to be awarded a contract under or otherwise allowed to

¹³ This includes all procuring entities, procurement agents, and other agencies at all levels under the RBL program.

participate in the RBL program during the period of such debarment or temporary suspension, and (iii) include a provision related to item (ii) in the bidding documents. The bidding documents should also reference:¹⁴

- (i) the list of debarred and temporarily suspended firms and individuals available on ADB's website (footnote 10);
- (ii) ADB's Office of Anticorruption and Integrity's website¹⁵ where reports of allegations of integrity violations can be made
 - (a) by email to integrity@adb.org or anticorruption@adb.org;
 - (b) through the complaint form;
 - (c) by secure telephone access +63 2 8632 5004;
 - (d) by fax +63 2 8636 2152; or
 - (e) by mail to Office of Anticorruption and Integrity, Asian Development Bank, 6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines; and
- (iii) the reservation by the DMC's procurement administration offices at each level of the right to reject the proposed award to debarred or temporarily suspended entities.

30. The guidelines will be issued in the name of APCRDA, which is responsible for the oversight of the RBL program and may be updated within the program period.

31. ADB's guidelines on fraud, corruption, and other prohibited activities for RBL programs are in Appendix 1.¹⁶

C. Satisfying Procurement Member Country Eligibility Restrictions

32. The Program will be jointly financed by ADB and the World Bank in equal amounts, and the financial resources of each financier will be co-mingled and administered by the borrower for the Program. Therefore, universal procurement will be applicable.¹⁷ The member country eligibility provisions of the World Bank will apply.

D. Safeguard Systems

Summary of Safeguard System and Actions

33. The Program is classified as Category B for environment, Category A for involuntary risk resettlement, and Category C for Indigenous Peoples as per [ADB's Safeguard Policy Statement \(SPS, 2009\)](#).¹⁸ Activities that would be classified category A for environment under ADB SPS would be ineligible for financing through the RBL modality.¹⁹ In addition, ADB will not finance

¹⁴ ADB. [Sanctions List](#). For more information, including how to access ADB's Sanctions List, refer to ADB. 2022. [Frequently Asked Questions on ADB's Sanctions](#).

¹⁵ ADB. [Anticorruption and Integrity](#).

¹⁶ Relevant information on the anticorruption systems and how to deal with fraud and corruption cases during implementation can be found in ADB. 2019. [Mainstreaming the Results-Based Lending for Programs](#). Manila; and the [staff instruction on business processes for RBL for programs](#).

¹⁷ ADB. 2013. *Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Fund Resources*. Manila; and ADB. 2015. [Enhancing Operational Efficiency of the Asian Development Bank](#). (paras. 25 and 90[iii]).

¹⁸ As per ADB SPS 2009, a project is classified as category A if it causes physical displacement or loss of 10% or more of productive, income-generating assets to 200 or more persons, deemed as significant impacts.

¹⁹ Activities with potential significant adverse environmental impacts that are diverse, irreversible, or unprecedented; however, these activities may still be included in the broader government-owned program.

activities on the ADB Prohibited Investment Activities List. The Program excludes high risk-activities including physical displacement of entire village clusters from land pooling scheme. The program safeguard assessment was carried out jointly with the World Bank. The World Bank has prepared an Environmental and Social Systems Assessment (ESSA)²⁰ which has been adopted as the common document for safeguards implementation for the Program, as agreed between the borrower, ADB and World Bank. The World Bank has been involved with the project for a long time²¹ and has taken the lead in assessing programs safeguards requirements and institutional capacity. ADB's program safeguards system assessment (PSSA) is a supplemental document (to the ESSA, with relevant references) prepared to meet ADB's internal requirements per [ADB's Safeguard Policy Statement](#)²² and [ADB's Policy on Mainstreaming the Results-Based Lending for Programs \(2019\) \(RBL Policy\)](#).²³ PSSA is prepared also for ADB's own due-diligence to assess the applicable frameworks and institutional capacity and has outlined gap filling measures under safeguards action plan that the borrower will implemented and these will be monitored. All the elements of the PSSA are included in the ESSA that will ensure that ADB policy requirements will be adequately met.

34. Environmental safeguards. PSSA confirms that the RBL Program is Category B for environment per ADB's Safeguards Policy Statement.²⁴ The PSSA is accessible from the list of linked documents in Appendix 2, Report and Recommendation to President.²⁵ The potential adverse environmental impacts of the program activities include soil erosion, pollution of ecosystems such as natural water bodies, air quality deterioration, increased carbon emissions, poor construction waste management, traffic congestion, construction-related nuisances, and occupational and community health and safety risks. The contextual risks, particularly flood risks, will be addressed through a comprehensive flood management plan. Cumulative impacts of multiple projects and of urbanization are strategically address through the capital city master plan and the program, which promotes sustainable urban development, integrates green infrastructure, sustainable services, and inclusive community planning. The Program safeguards system, based on GOI's environmental regulatory framework, is generally aligned with the environmental safeguards policy principles #1 to #11 of ADB SPS. The Program is managed by the APCRDA and supported by the Amaravati Development Corporation Limited (ADCL) for infrastructure works. APCRDA and ADCL will be further supported by a Program Management Consultant (PgMC) for the overall program, and a Project Management Consultant (PMC) for each of the contract packages. APCRDA has experience in implementing the works, identifying and managing environmental risks, and demonstrated its capacity to prepare, implement, monitor, grievance management and compliance reporting in the initial phase of Amaravati construction works in 2017-19. APCRDA has obtained environmental clearances for overall capital city project, and for individual project activities, as mandated by the law. APCRDA has taken necessary steps to comply with the environmental clearance conditions, including implementation of

²⁰ The World Bank disclosed the draft ESSA on 23 October 2024: <https://documents1.worldbank.org/curated/en/099102424060019798/pdf/P50750818939c90d186811db229ce45074.pdf>.

²¹ The Government of India (GoI) had requested World Bank's support for the development of Amaravati in 2016, but withdrew the request for financing in 2019 following the change in the then state government's priorities.

²² ADB. 2009. [Safeguard Policy Statement](#). Manila.

²³ ADB. 2019. [Mainstreaming the Results-Based Lending for Programs](#). Manila

²⁴ A program safeguard systems assessment was carried out jointly with the World Bank as part of loan processing requirements. The World Bank has prepared an Environmental and Social Systems Assessment (ESSA), which is adopted for the program by ADB. This is PSSA with as a supplemental document (to the ESSA with relevant references) prepared to meet ADB's policy requirements including the safeguards policy principles. This assessment, led by the World Bank, is a joint exercise of the World Bank and ADB safeguards specialists, supported by consultants. This assessment has been conducted based on desk reviews, field visits and consultations. World Bank team utilized the knowledge and information from its previous engagement with GOAP and APCRDA in 2016-18 for the Amaravati Sustainable Infrastructure and Institutional Development Project (ASIIDP).

²⁵ The program safeguards system assessment is in Annex 3 to Amaravati Inclusive and Sustainable Capital City Development (RRP IND 58395-001).

environmental management plans, and monitoring and compliance reporting. APCRDA will continue to implement the Program activities following the program safeguards systems, and compliance requirements are summarized in Table 1. PSSA has also identified some gaps and weaknesses in the program safeguards systems, and necessary actions are suggested to strengthen the system. These are presented below in Program Safeguards Actions, which form part of the PAP (Table 11).

Table 8: Key Compliance Requirements of Program Safeguards System

No.	Compliance requirements	Responsibility
1	Implement the Program in compliance the program safeguards systems, based on government regulations with necessary actions accomplished to fill the identified gaps. Ensure compliance throughout the program.	APCRDA
2	Take necessary timely actions to extend the validity of environmental clearance for the overall project before its expiry in 2026, and similarly of the individual building projects before the validity expiry. Coordinate closely with regulatory agencies.	APCRDA
3	If any new activities are proposed, screen the activity per EIA Notification, 2006, and conduct necessary studies, prepare EMP, conduct public consultations and disclosure, and consider feedback in project, and obtain environmental clearance prior to bidding.	APCRDA
4	Ensure new activities compliance with RBL exclusion criteria. Applicable only to activities funded by RBL. Ensure compliance throughout the program.	APCRDA
5	Ensure compliance with EC conditions, and ensure integration in project design, construction and operation. Ensure compliance during design, construction and operation of infrastructure of facilities	APCRDA
6	Strengthen EMPs and bids and contract documents as per the program safeguard actions (prior to biddings and commencement of works).	APCRDA
7	Include EMPs in bids and contract along with necessary bill of quantities and budget items and/or allocation of EMP implementation budget part of overall package cost / contract value (prior to bidding)	APCRDA
8	Support contractors and ensure that good quality construction site-specific EMPs (CEMPs), along with associated health and safety plans, traffic plans, waste management plans etc., are prepared and approved prior to commencement of works	APCRDA
9	Ensure implementation EMPs and CEMPs and associated plants, monitor and oversee compliance, and take corrective actions in case of any non-compliance or breach of EMP measures (throughout implementation and operation)	APCRDA
10	Oversee and monitor compliance at all levels, from contractor, to PMC, to PgMC, to ADCL to APCRDA; ensure use proper monitoring instruments (eg, checklists), reporting formats and frequencies (monthly, quarterly etc.) (throughout the implementation and operation)	APCRDA
11	Ensure timely submission of half-yearly monitoring and compliance reports to MOEFCC and APPCB, and disclose the reports on APCRDA website (through implementation and as per EC conditions)	APCRDA
12	Implement corrective actions for any gaps or non-compliance identified in the half-yearly reports (throughout the implementation and operation)	APCRDA

No.	Compliance requirements	Responsibility
13	Continue ongoing public consultations throughout, provide prior public information (e.g., traffic diversions, road closures) about the activities and works, and consider feedback appropriately in implementation	APCRDA
14	Ensure that all necessary consents, clearances, and permissions mandated under other laws related to environment, forests, pollution control, waste management, health and safety, physical cultural resources, hazardous materials, construction material extraction, traffic etc., are obtained timely	APCRDA
15	Ensure compliance with conditions, standards, etc., specified in such permits, consents, etc., integrate into designs, construction and operation (throughout the implementation and operation)	APCRDA
16	To avoid delays and non-compliance, ensure that all clearances and permissions related to project development that are responsibility of the employer (APCRDA/ADCL) are obtained prior to bidding or prior, or in unavoidable cases, prior to award of contract	APCRDA
17	Ensure that all necessary clearances, licenses, permissions etc., required by the contractor for undertaking construction works are in place prior to commencement of works; regularly review and ensure the validity and timely renewals / extensions	APCRDA
18	Obtain permission from Archeological Survey of India / National Monument Authority for any works within 300 m from the protected monument boundary of Undavalli Rock Caves temple, coordinate with ASI, enhance ongoing monitoring, implement chance find procedures, and adaptive management to mitigate any potential risks and ensure long-term sustainability. Obtain permission as early as possible but prior to commencement of works; integrate recommendations of ASI/NMA into project designs, construction and operation.	APCRDA
19	For the RBL program, submit a semi-annual safeguards monitoring report to ADB for review, concurrence and disclosure (throughout the RBL program until project completion report is issued)	APCRDA

35. **Involuntary resettlement.** PSSA confirms that the program is Category A for involuntary resettlement and that the risk rating is “substantial.” Over 90% of land procurement for the capital city and 98% of the land required for the Program was carried out prior to ADB’s involvement. The land acquisition is pending for about 248.028 acres (about 1.92% of the Program’s total land requirement of 12,918.972 acres) for the Program, which would involve resettlement impacts.²⁶ APCRDA has relied on the LPS as the primary instrument for land assembly while other instruments include negotiated settlement policy.²⁷ The resettlement policy framework (RPF) notified by APCRDA, recognizes the eligibility and entitlement of both titled and non-titled affected persons and is being updated to reflect recent government orders and safeguards implementation arrangements. It also includes provisions for livelihood related skill training with a targeted and tailored approach for the landless and vulnerable affected households. The compensation and resettlement benefits are assessed to meet replacement cost and livelihood enhancement/

²⁶ The Program’s pending land procurement is anticipated to result in economic displacement of 871 landowners (2987 family members). About 74 households (270 persons) are anticipated to face physical displacement.

²⁷ LPS offers returnable plots and annuity to the landowners, and pensions and other assistances to the landless. The negotiated settlement policy is an option to involuntary land acquisition under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Refusal by the landowner to avail the negotiated settlement or the land pooling option may lead to exercise of eminent domain.

restoration requirements in line with ADB SPS.²⁸ The consultations and assessment suggest that affected communities are exposed to urban living due to proximity to Vijayawada, and the Program enjoys a general acceptance among the community for offering them better living conditions and livelihood opportunities. The Program's legacy issues which are a manifestation of its contextual risks, include pending compensation payments to assigned landholders, and delay in implementation by 5 years resulting in delayed realization of benefits by communities. The borrower's capacity and commitment to address these risks is demonstrated through recent measures.²⁹ The institutional capacity of APCRDA is demonstrated in land pooling targets achieved so far, enabled by community level engagement, implementation of resettlement policies and a team of experienced safeguard professionals.³⁰

36. Indigenous peoples. PSSA confirms that the Program is Category C for Indigenous Peoples. In the capital city area, scheduled tribe households constitute 4.6% of the population (Census of India, 2011). There are no Indigenous Peoples' groups having collective attachment to customary lands and territories such as tribal villages, scheduled areas or integrated tribal development blocks and no presence of 'particularly vulnerable tribal groups' as defined by Government of India. The Program is not anticipated to impact the dignity, human rights, livelihood systems, or culture, or affect the territories or natural or cultural resources that Indigenous Peoples own, use, occupy, or claim as an ancestral domain or asset.

37. Program Safeguards Actions. PSSA identified gaps in implementing environmental risk management, including inconsistently applied EMPs and bill of quantities, budget and contractual provisions in bid and contract documents, gaps in OHS risks and specific mitigation strategies, and institutional oversight. Various recommendations and actions are proposed for implementation to overcome the weaknesses and strengthen environmental risk management. To minimize the risks, the program also excludes high-risk activities that are not eligible for funding under the RBL program. Program exclusions, DLIs and program safeguards actions are included and presented in PAP (Table 11). The responsibility of implementation and compliance lies with the APCRDA. APCRDA will ensure compliance with program safeguards systems and program actions and will submit semi-annual safeguards monitoring reports to ADB for review, concurrence, and disclosure until a project completion report is issued.

Table 9: Program Exclusions, and Safeguards related DLIs and Program Actions

Action Category	Action Item
RBL Program Exclusions	Activities likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented (i.e., Category A for environment)

²⁸ As per ADB's RBL Policy, which is similar to World Bank's PforR Policy, the following activities will not be eligible for Program funding: (i) activities likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people (including Category A for environment under ADB SPS); and (ii) activities on ADB's Prohibited Investment Activities List (Appendix 5 of ADB SPS). Activities involving physical displacement are minimized and since village clusters are excluded from land pooling, the Program avoids major irreversible impacts. The Program is assessed to have significant impacts on livelihoods of affected people and there are adequate provisions to restore and improve their livelihoods. Over 98 percent of the land required for the Program was assembled prior to 2019. Though the Program is Category A for involuntary resettlement based on numerical threshold, the risk is assessed as 'substantial'.

²⁹ These include clearance of arrears to assigned landholders, enhancement in unit rates of compensation based on inflation adjustment to address implementation delays, and flexibility in selection of returnable plots for land pooling.

³⁰ APCRDA is assessed to have a strong core team of safeguards personnel, which needs to be strengthened considering the program scale with a well-defined structure and additional staffing, and standard operating procedures on key safeguards aspects, including grievance redressal mechanism.

Action Category	Action Item
	under ADB's Safeguard Policy Statement 2009). ^{31 32} Exclusion of village clusters from land pooling scheme to minimize physical displacement.
	Activities on the ADB Prohibited Investment Activities List (Appendix 5 of ADB SPS). ³³
DLIs	Establishment of an Environmental and Social Management Unit (ESMU) within APCRDA (DLI-1)
	Environmental and Social Monitoring (DLI-1)
	Skill development and employment for beneficiaries, including women and youth in construction and urban services jobs (DLI-4)
	Strengthening community participation with gender focus through reviving the Citizen Advisory Committee (DLI-6)
Program safeguards actions	Refer to Table 11 for the Program Action Plan

ADB = Asian Development Bank, APCRDA = Andhra Pradesh Capital Region Development Authority, DLI = disbursement-linked indicator, SPS = Safeguards Policy Statement.

38. Based on the safeguards system assessment, some of the risk mitigation measures agreed with APCRDA include (i) establishment of an E&S management unit to be supported by PgMC and PMCs and strengthening of safeguard monitoring and stakeholder engagement are part of the DLI; (ii) inclusion of health and safety clauses and environmental management plans in the bidding documents and contracts; (iii) institutional strengthening and capacity-building for safeguards monitoring and reporting, and (iv) formalize and strengthen the grievance redress mechanism with a defined policy and standard operating procedures.

39. **Safeguards Implementation Arrangement.** The Andhra Pradesh Capital Region Development Authority (APCRDA), established under the APCRDA Act of 2014, will serve as the lead executing agency responsible for the coordination, monitoring, and execution of key program activities. The Amaravati Development Corporation Limited (ADCL), established under the Companies Act of 2013, corporate project implementation entity supporting APCRDA; is responsible for implementing specific civil works related to trunk infrastructure and flood mitigation. Over time, as Amaravati's infrastructure develops, new governance institutions will take on additional roles in city management. A project management unit (PMU) will be established under the broad framework and existing structure of APCRDA.

40. **Management of Environmental and Social Safeguards.** For management of issues related to safeguards and ensure safeguards compliance, Environmental and Social Management Unit (ESMU) will be established within the proposed PMU-APCRDA. The ESMU will be responsible for implementing, monitoring, and ensuring compliance with all the applicable environmental, OHS and social safeguards of the Program. ESMU will also be responsible for preparation/update of resettlement plans/IEE and ensure that the approved resettlement plans/IEE are included in bidding documents, disclosure of draft and updated safeguards documents on program websites and to affected persons. The proposed ESMU structure, under the Environment vertical includes (i) a Landscape Unit with all the existing staff, (ii) a Safety Unit with four OHS staff, and an (iii) Environmental Management Unit with four environmental

³¹ If a project/activity is likely to have significant adverse environmental impacts that are diverse or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works.

³² Ineligibility for financing through RBL modality means that these activities are not included in the RBL program to be financed by ADB. However, these activities may still be included in the broader government-owned programs.

³³ Page <https://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>

safeguards staff. Similarly, the social vertical will consist of (i) Social Development Team, (ii) Land and Resettlement Team, and (iii) GRM Cell. The Land and Resettlement Team will be headed by Revenue Officers and will lead the land procurement and resettlement activities. The GRM Cell headed by GRM Nodal Officer, will cut across all departments of the APCRDA and report directly to the Additional Commissioner. The Social Development Team will oversee the implementation of livelihood, skill building, labor management, gender- and Gender-Based Violence-related activities, among others. The land and resettlement unit will oversee the land procurement (LPS/LA) and resettlement and rehabilitation. Though the ESMU will be housed in the APCRDA, it will also be responsible for the environmental and social activities and compliances by the ADCL.

41. **Consulting support.** To support program management and ensure effective implementation, APCRDA will appoint a Program Management Consultant (PgMC) as well as package-wise project management consultants (PMC). The PgMC will assist in areas such as overall program management, design quality assurance, and oversight of environmental and social (E&S) safeguards. In addition, the PgMC will coordinate with Project Management Consultants (PMCs) recruited by APCRDA/ADCL for each contract and will oversee the execution of major trunk infrastructure projects, particularly in LPS (Land Pooling Scheme) neighborhoods. Both the PgMC and PMC adequately staffed with relevant experts will monitor and report on the progress, including environmental and social safeguards activities and compliances.

42. **Contractors.** Each contractor engaged in construction works/packages by the APCRDA will have an Environmental, Health, and Safety (EHS) specialist to implement EMP and OHS clauses in the bidding documents.

43. **Reporting.** The APCRDA will develop and use a functional ICT platform for E&S monitoring and ensure timely submission of its semiannual E&S reports. The E&S compliance monitoring system will monitor and follow up on compliance with E&S requirements associated with the Program for construction contracts above INR 50 crores. The systems will include standard procedures, roles and responsibilities, user profiles, and digital solution to deliver on such functions. The system will allow systematic collection and integration of data across trunk, neighborhood, flood infrastructure, and building contracts; monitor performance and potential deviations; and facilitate early resolution of any deviations. ring and reporting on the concerned contract, using a common template. Indicative templates for social and environmental safeguards monitoring are provided in Appendix 5 and 7. A common E&S safeguards monitoring report template will be developed for semiannual reporting by PMU, with PgMC support within. APCRDA will ensure compliance with program safeguards systems, exclusion of ineligible activities and the safeguards-related DLIs and program actions, details of which will be included in the E&S safeguards monitoring reports. The monitoring reports will also include details of safeguards implementation, compensation and assistances, grievance redress, communication and public outreach activities. The semiannual E&S safeguards monitoring reports will be submitted for ADB's clearance until a project completion report is prepared and will be disclosed on ADB and APCRDA websites.

44. **Grievance Redress Mechanism (GRM).** Assessment of the existing grievance management system for Amaravati capital city project suggests that multiple channels are available for registering and redress of grievances. These include Public Grievance Redress Management System (PGRMS) which is a statewide single-window online portal for receiving grievances and suggestions, covering all government departments including APCRDA, APCRDA's website (with a dedicated space for grievance registration and tracking) and APCRDA's field unit-level grievance system. APCRDA has recently introduced a comprehensive

grievance redressal system called 'Parishkaram' which is integrated into the APCRDA website and designed to provide quick and efficient solutions to grievances registered by community members. APCRDA had a few other channels for grievance registration and redressal in the past that are proposed to be revived. Due diligence of the existing grievance redress mechanism under APCRDA suggests that the system needs strengthening with an integrated database, documentation, reporting and feedback mechanism. Gaps in the institutional setup (inadequacy of staff to manage the anticipated as well as legacy grievances) related to grievance redress, as well as the need to streamline the grievance registration and redress process and documentation through standard operating procedures were identified, which will include procedures for communication and information disclosure.

45. Measures to formalize and strengthen the system have been discussed in detail in the PSSA. It has been agreed with APCRDA, that a GRM Cell will be established as part of the environmental and social management unit within PMU-APCRDA. The GRM Cell will cut across all departments of the APCRDA and report directly to the Additional Commissioner. It will be supported initially by a GRM Nodal Officer and two support staff and the staffing may be enhanced to four support staff as and when required. All grievances received at field level (through field unit offices of competent authority office (CAO)/APCRDA or contractor's office) will be documented and progress status communicated to the PMU in Vijayawada. Further, all grievances received through online platforms (APCRDA web portal or directed from state PGRMS) will be assessed and referred to the concerned department and offices (e.g. field offices). Grievance registers will be placed at village level and the staff in the field offices will be responsible for recording of verbal grievances for the people who lack literacy or proficiency in electronic media. The grievance unit under the ESMU in the PMU, will be responsible for coordinating (with various departments and offices), progress monitoring, documentation and reporting tasks at the program level. The unit will also monitor effective functioning of the grievance management systems at the field level including grievance recording and documentation and progress reporting in the program system. Regular public outreach and disclosure meetings will be undertaken. The program will assess any legal issues through the GRM and proactively settle any legacy issues unless these are under legal procedures. The status of grievance redress will be reported through monitoring reports and corrective actions if needed will be developed and implemented. The program team will review and monitor GRM status during the supervision missions.

46. The affected person is free to access the country's legal system at any time and at any stage. The affected person also can use the ADB Accountability Mechanism through directly contacting (in writing) the Complaint Receiving Officer at ADB headquarters or the ADB India National Resident Mission (INRM).

E. Social Dimensions

47. Labor management with standard operating procedures are proposed to be part of the bidding documents prepared by APCRDA. Meaningful and extensive consultations were carried out with affected persons and stakeholders by APCRDA in the past, related to project planning and land procurement. Consultations were also conducted with multiple stakeholders during the program appraisal process, which helped assess the affected communities' perceptions about the program, legacy issues and grievances. Effective and meaningful consultation led to enumeration and compensation of non-titled occupants of government lands. Such consultations will be continued by APCRDA throughout the program cycle with higher levels of community participation. APCRDA has a grievance redress mechanism (GRM) which will be further strengthened through a standard operating procedure/policy and placement of adequate resources. Strengthening community participation with gender focus, through revival of the Citizen

Advisory Committee is also proposed as a DLI activity. Based on a common six-step validation and eligibility process prevalent in the state, APCRDA acting as a facilitator ensured that the economically weaker sections within the community could avail all categories of social security pensions and housing schemes. As part of APCRDA Act, the landless labor also receive pension. A socio-economic baseline and skill census covering the landowning farmers and landless households for assessing current skills and livelihood profiles is proposed under the program. Based on the outcome, adequate skill development and employment opportunities will be provided to address social poverty issues and ensure sustainable program outcomes (skill development and livelihood is part of measurable DLI). To ensure compliance with ADB SPS requirements, DLIs and program actions on safeguards are identified and agreed with APCRDA. ADB's technical assistance will support APCRDA in the implementation.

F. Gender Equality

48. The RBL program is categorized as effective gender mainstreaming. Key gender issues identified through the assessment are that women in Andhra Pradesh are stuck in poor-quality jobs, with only 34% of urban women in AP in the formal labor force, primarily because they do not have the skills and training to be employed in sectors where better jobs are available. They also face constraints in accessing urban services, including water and sanitation, and their health is impacted by unsafe collection, transportation and disposal of solid waste. The RBL program directly addresses women's and girls' issues through (i) gender-responsive and sustainable urban designs, housing, and safe transport (DLI 7, and DLI 8); (ii) women's skill enhancement for 10,100 women (59% of the total) (skill training programs in construction, services and entrepreneurship development) and increased access to skilled economic opportunities (better quality jobs for 7,000 women, representing 58% of jobs created through the project)) (DLI 4); (iii) women's increased access to quality urban services; (iv) affordable housing to low-income groups (including 15% to households headed by women) and safe transport; (v) women's representation in participatory mechanisms to guide city and township developments and solicit inputs for livability and livelihood outcomes (DLI 6); and (vi) access to a designated and upgraded park with gender-responsive design and blue/green amenities in Amaravati (DLI 8). The Program will increase awareness of gender issues in the water and sanitation sector among the local communities. The Program targets to benefit 50,000 persons (22,500 women) with access to sustainable water, sanitation infrastructure and services, and 100,000 persons (50,000 women) with access to sustainable transport infrastructure and services. The Program will conduct training programs for APRDC ADCL, PgMC, PMCs, APSRTC, and UMTA on gender-mainstreaming, gender-responsive program design and implementation.

G. Communication and Information Disclosure Arrangements

49. APCRDA has conducted extensive public and multiple stakeholder consultations and public outreach activities and communications throughout the planning and implementation phases of the Amaravati Capital City (ACC) development. Since 2014, multiple consultations have taken place, ranging from informal, door-to-door conversations to large, organized meetings with local communities, farmers, landowners, environmental experts, and government officials. Consultations and public outreach activities were carried out during significant milestones, such as the preparation and notification of the Master Plan and the rollout of the land pooling scheme (LPS). Initially APCRDA had set up (i) 26 competent authority offices (CAOs), one in each village, headed by Deputy Collector and 8 more persons including a social facilitator in each CAO specifically to address farmers' queries and land-related concerns; and (ii) Public Information Centers (PICs) in each village to facilitate continuous, on-demand information dissemination, consultations, with information provided in English and Telugu. Since 2019, the number of CAOs

was reduced to five, with minimal staffing, limiting the services offered and 15 social facilitators are in service currently.

50. The program will continue to engage with multiple stakeholders and is committed to communicating verifiable standard information to the community through a transparent mechanism. The continued direct engagement with the community while employing participatory approach will accelerate community participation, foster bonding and enhance community ownership about the program. Recently, the APCRDA has taken steps to revive and set up at least 11 PICs along with the 11 CAOs focusing on villages where the need for land pooling/land acquisition is greater. The PICs will be equipped with information brochures and documentation regarding the program, as well as information regarding the various GRM channels. Moreover, PICs are permanently staffed with community facilitators who are often village residents who have been trained by the APCRDA and are available to address questions, register complaints, and reach out to the APCRDA officials. These PICs will function as (i) the frontline of information dissemination, public outreach activities and (ii) serve as focal units' and assembly points where affected people and community members can register grievances or queries. The APCRDA is in the process of strengthening its capacities for public outreach by setting up an in-house communication unit to be headed by Joint Director, Communications and staffed with five more professionals including Manager, Public Relations. The in-house communication unit will be supported by PgMC as well as a professional communications agency (to be recruited) to support broader outreach with all stakeholder groups including farmers and landless households in the capital city area. Public information centres will be utilized more effectively for communication and public outreach and required capacity building will be provided to the implementing staff (including field office staff such as social facilitators) by PgMC. A guideline for communication, public consultation and information disclosure is presented as Appendix 6.

H. Development Coordination

51. The Government of India has emphasized urban development, including greenfield cities, transit-oriented development, and sanitation, as key priorities in its Union Budget 2024/25, seeking support from both ADB and the World Bank to achieve these goals. Recognizing that greenfield cities offer a unique opportunity for integrating climate-resilient infrastructure, green technologies, and sustainable planning, Government of India aims to incorporate international best practices to reduce emissions and enhance resilience from the outset. For this program, preparation was jointly undertaken by ADB and the World Bank, with both development banks supporting the same program. This collaboration has resulted in a largely synchronized program expenditure framework and DLI matrix to streamline program implementation. Additionally, ADB and the World Bank will have the same Independent Verification Agency (IVA) and coordinate disbursement schedules. Both banks will conduct joint implementation support visits and align technical advisory efforts to ensure efficient and cohesive implementation support throughout the program's duration.

V. INTEGRATED RISKS ASSESSMENT AND MITIGATING MEASURES

A. Key Risks and Mitigating Measures

Table 10: Status of Integrated Risk Assessments and Mitigating Measures
(as of October 2024)

Risks^a	Risk Description	Risk Rating^b without Mitigation Measures	Key Mitigating Measures	Timeline and Responsible Agent	Implementing Status
Results.	Although both the APCRDA and ADCL were established following the bifurcation of Andhra Pradesh, their experience in implementing large-scale infrastructure projects has been limited. As a result, there may be challenges in scaling up their capacity to effectively manage the comprehensive demands of the program's implementation.	Substantial	A PgMC and PMCs will be engaged to assist the implementing agencies in reviewing technical designs, overseeing the construction phase, and providing support for operations and maintenance post-construction.	31 March 2025 APCRDA and ADCL	
Expenditure and financing.	Delays in the release of budget or budget cuts may hinder the timely and full implementation of the program	Substantial	Quarterly monitoring of program execution through periodic progress reports and continuous dialogue with the government		
	Risk that expenditures may be less than development partners' financing due to government contributing only at 10% of program expenditures	Substantial	Quarterly submission of financial progress reports showing utilization of funds from all sources of financing		
	Lack of experience and capacity in implementation and use of funding	Substantial	Strengthen implementation capacity of APCRDA and ADCL through ADB's technical assistance and improving operational efficiencies with the actions identified in the program action plan		
Financial management.					
Budget and Funds Flow	Delay in the release of counterpart funds could delay the implementation of the program. Further,	High	Create a budget head specific for the program	By loan effectiveness GOAP	

Risks^a	Risk Description	Risk Rating^b without Mitigation Measures	Key Mitigating Measures	Timeline and Responsible Agent	Implementing Status
	funds intended for the project could be diverted for some other purpose		Include a legal covenant for the provision of sufficient funds		
Internal controls	Lack of asset register increases the risk of asset loss	High	Establish fixed asset register for the program	By loan effectiveness APCRDA and ADCL	
Accounting and financial reporting	Delay in the preparation of financial statements and non-compliance with international standards affects the reliability and comparability of the financial statements	Substantial	Prepare program financial management manual Set-up program accounting in the accounting system Engage key finance staff for program accounting and financial reporting	By loan effectiveness APCRDA and ADCL	
Internal audit	Lack of internal audit may result to noncompliance and mismanagement	Substantial	Include the program in the entity internal audit and report the findings in the quarterly progress report.	By loan effectiveness and annually thereafter APCRDA and ADCL	
External audit	Delay in the conduct of audit may lead to delays in the correction of misstatements and errors and detection of fraudulent activities Lack of monitoring of audit findings may result in audit recommendations not being implemented effectively	High	Appoint an external audit firm empaneled by CAG Form an audit committee to address audit findings from external and internal audit	By loan effectiveness APCRDA and ADCL	
Procurement.					
Bid documents for works and consulting services	Current set of bid documents lack standardization, consistency and relevant eligibility and qualification criteria, considering high value contracts	Substantial	Customize the GOAP's Tender documents (Item rate, lump sum for Works, and RFP for PMC) with mandatory fraud and Anti-corruption Guidelines through the Project	Before initiating the tendering through the Program. APCRDA, ADCL	
Closure of pending contracts	Long stalled contracts may pose greater risk and possible litigation issues for initiation of new projects	High	Formally close the previously awarded contracts before	Before initiating the tendering	

Risks ^a	Risk Description	Risk Rating ^b without Mitigation Measures	Key Mitigating Measures	Timeline and Responsible Agent	Implementing Status
			initiating tendering through the Project.	through the Program APCRDA, ADCL	
Procurement and Contract management Manual	(i) Lack of a well-documented Manual incorporating prevailing GOs and procedures can hinder a fair, transparent and efficient system (ii) Absence of procurement specific audit	Substantial	Prepare a compendium of procurement-related GOs and a comprehensive procurement & contract management manual	Within three months of Program effectiveness or April 30, 2025 APCRDA, ADCL	
Market Assessment	Considering the stalled projects in last five years, the market readiness and capacity for the high value contracts to be assessed	Substantial	Assess the market potential of potential contractors and consultants through a common advertisement.	31 January 2025 APCRDA, ADCL	
Procurement strategy and contract management plan	No systematic process of preparation of the procurement plan which can lead to procurement inefficiency and delayed approvals	Substantial	Prepare the Program procurement strategy and contract management plan. Prepare IA-wise procurement plan and display it on the official website.	31 January 2025 APCRDA, ADCL	
Procurement Audit	Procurement Audit are not undertaken as part of the financial audits	High	Undertake post procurement audits as part of the internal audit	Semi-annual reports starting July 202 APCRDA, ADCL	
GOAP e-procurement system's contract management module is not fully used	The absence of system based contract monitoring may lead to time and cost overrun and inefficiencies	Substantial	Develop an information and communication technology (ICT) platform for procurement monitoring and managing the Contract Management system and displaying procurement KPIs on the dashboard	Within six months of the Program effectiveness APCRDA, ADCL	
Compliant Management System	The current complaint management system requires overhaul. No	High	Establish a functional complaint handling system. Incorporate the details of the nodal officer in the	establish mechanism within	

Risks ^a	Risk Description	Risk Rating ^b without Mitigation Measures	Key Mitigating Measures	Timeline and Responsible Agent	Implementing Status
	sustained and proactive tracking system currently		tenders/RFPs to receive the fiduciary complaints.	three months of effectiveness. Semi-annual reports starting July 2025 APCRDA, ADCL	
Capacity development	The capacity available is not sufficient, especially for handling MDB policies and procedures, with nominal procurement undertaken in last 5 years	Substantial	Provide procurement and contract management capacity assessment and level-based training to the staff on the GOAP's procurement and contract management	First batch before 31 January 2025, and then throughout the Program period. APCRDA, ADCL	
Anticorruption.					
The program faces potential integrity risks in areas of procurement and financial management.	Key procurement risks include bid rigging, collusion, and the awarding of contracts to debarred entities, while financial management risks involve misrepresentation in claims.	Moderate	To address these risks, robust due procedures will be implemented, including enhanced bidder vetting and regular audits, and use of ICT. Additionally, ADB and World Bank will establish continuous monitoring mechanisms to ensure adherence to transparency and integrity standards. Regular awareness and training sessions on (i) ADB's Anticorruption Policy and (ii) adequate due diligence during bid evaluation/payment processing to identify any irregularities, inconsistencies, and/or potential misrepresentations on the bids/claims (including the timing and frequency of these activities). The relevant program staff may refer	APCRDA and ADCL	

Risks ^a	Risk Description	Risk Rating ^b without Mitigation Measures	Key Mitigating Measures	Timeline and Responsible Agent	Implementing Status
			to OAI's publication series Integrity Risks and Red Flags in Projects (January 2023) , which offers guidance in designing/implementing mitigation measures to address integrity risks.		
Safeguards.	Inadequacy of personnel and procedures in APCRDA to manage E&S risks	Substantial	E&S management unit established (prior result). PGMC and PMCs will support the unit, including monitoring of SOP.. in addition to strengthening works contracts containing EMPs and standard operating procedures for grievance redress mechanism.	APCRDA	
Operating environment. Result achievement	Limited experience of the APCRDA and ADCL in implementing large-scale infrastructure projects to effectively manage the Program's implementation	High	A PgMC and PMCs for each contract will be engaged to assist the implementing agencies in overseeing the construction.	APCRDA and ADCL	
Political and Governance.	There is strong political and local stakeholder support for the development of the new capital. However, ongoing scrutiny is anticipated, especially concerning the Program, and its progress and quality of implementation	High	The APCRDA will adopt a communication strategy to ensure key stakeholders have consistent access to information. The Program also supports the creation of transparent and accountable governance institutions responsive to the needs of citizens and other stakeholders. Additionally, a Citizens' Advisory Committee is being proposed to enhance participation and oversight (DLI 6).	APCRDA	
Overall program risk	Substantial				

ADCL = Amaravati Development Corporation Ltd, APCRDA = Andhra Pradesh Capital Region Development Authority, E&S = environment and social, RBL = results-based lending, O&M = operation and maintenance, PgMC = program management consultant, PMC = project management consultant.
Sources: Asian Development Bank.

VI. PROGRAM ACTION PLAN

A. Status of Program Action Plan

Table 11: Status of Program Action Plan
(as of October 2024)

Actions	Responsible Agency	Time Frame for Implementation	Completion Measurement
Area 1: Program technical aspects			
1.1 Develop operational guidelines for an early warning system for disaster risk management including flooding	APCRDA	31-Dec-2025	Operational guidelines approved by GOAP and Published on APCRDA website, included flood monitoring mechanism.
1.2 Appoint a consulting firm to review road safety designs, recommend design adjustments, and establish an iRAP rating for the revised design	APCRDA	30-Jun-2025	Design review covers intersections, crossing and access points, adjustment meeting applicable IRC codes and at least a 3-iRAP rating.
1.3 Adopt water and wastewater connection and tariff policy	APCRDA and ADCL	31-Dec-2025	Water and wastewater connection and tariff policy adopted and published.
1.4 Hire IVA based on TOR agreed with WB and ADB	APCRDA	31-Jan-2025	
Area 2: Fiduciary aspects			
2.1 Appointment of a chartered accounting firm for Program audit	APCRDA	30-Jun-2025	External and internal auditors appointed.
2.2 Establish a Fiduciary complaint-handling mechanism at APCRDA and ADCL to redress procurement, FM, and corruption-related complaints	APCRDA and ADCL	Mechanism established within 3 months of program effectiveness; regular reporting starts July 2025	Mechanism established, and the nodal officer displayed on the official website. Semi-annual reports are submitted using the formats agreed upon.
2.3 Report on Fiduciary Key Performance Indicators	APCRDA and ADCL	Semi-annual, starting July 2025	Consolidated Semi-annual Fiduciary KPI reported, using the formats agreed upon with ADB, starting in July 2025.
Area 3: Safeguard aspects			
3.1 Update RFP, and prepare/update RAPs for Phase I packages as per GoAP's, RPF and LARR 2013 Act.	APCRDA	RFP by 10-Dec-2024 RAPs before Award of contracts	RPF revised, disclosed, and GO issued. RAP prepared/updated and disclosed.
3.2 Prepare SOPs to strengthen EMPs, GRM, communication, and information disclosure	APCRDA and ADCL	Within five months after Program Effectiveness	SPOs prepared and adopted.
3.3 Conduct a social audit of the Land Assembly process and livelihood impacts for Amaravati, at Program baseline, midterm, and end term with a focus on (i) the process, (ii) the impacts on landowners, landless, and other	APCRDA and ADCL	Baseline- by 30 June 2025 Mid-term- 3 months before mid-term review End-term- 3 months before Program closure	Social Audits completed as per the scope specified in the ESSA and consistent with the TORs as agreed with WB/ADB; findings and

Actions	Responsible Agency	Time Frame for Implementation	Completion Measurement
Program Affected Persons, and (iii) livelihood impacts			recommendations from the audit shall be incorporated into the RAAPs and EMPs during Program Implementation.
3.4 Appoint an implementation support NGO	APCRDA	Three months after Program Effectiveness	NGOs appointed and functional
3.5 Ensure that the Supervisory Committee and the Implementation Committee are reactivated and supported to meet on at least a semi-annual basis. ^a	APCRDA	Three months after Program Effectiveness	Summary of the meetings of the two Committees and the follow-up actions taken by APCRDA and ADCL are included in the Progress reports and made public.
3.6 Prepare common tender documents for works and RFP for consultancy with quality criteria and E&S clauses to ensure E&S, OHS, ESHS, GBV, and SEA compliance and risk mitigation ADB's Anticorruption Guidelines for RBL (Appendix 2).	APCRDA and ADCL	31 Jan 2025 or before tendering through the Program, whichever is earlier.	Prepared common tender documents for Works and RFP for consultancy satisfactory to the Bank and display them on the APCRDA and ADCL websites.
Area 4: Gender Equality			
4.1 Ensure the climate-resilient water, sanitation infrastructure design are gender-responsive ¹	Amaravati Capital Region Development Authority (APCRDA),	2025-29	PgMC and PMC should be in place for gender-responsive design implementation.
4.2 Ensure the climate-resilient transport infrastructure and services and services design cater to the women's needs	APCRDA	2025-29	PgMC and PMC should be in place for gender-responsive design implementation.
4.3 Monitor progress and collect data disaggregated by sex on the number of new and better jobs received by local community, including the targeted number of women	APCRDA	2025-29	A regular semi-annual monitoring report submitted with gender-disaggregated data
4.4 Ensure coverage of targeted percentage of women headed households in the provision of access to new affordable housing in Amaravati	APCRDA	2025-29	A regular semi-annual monitoring report submitted with gender-disaggregated data.
4.5 Integrate gender-responsive features in updated urban design guidelines	APCRDA	2026	Updated Sustainable Urban Design guidelines prepared and adopted.

ACC = Amaravati Capital City, ADCL = Amaravati Development Corporation Ltd, APCRDA = Amaravati Capital Region Development Authority, E&S = environmental and social, EMP = environmental management plan, GBV = gender based violence, GOAP = Government of Andhra Pradesh, KPI = key performance indicator, POM = program operations manual, SOP = standard operating procedure, TOR = terms of reference.

^a The committee composition will be same as before

¹ Gender-responsive infrastructure and services refers to infrastructure design and services that identifies and addresses the needs and priorities of women.

VII. TECHNICAL ASSISTANCE

A. Summary

52. The government requested the involvement of ADB in Amaravati to support the creation of green, inclusive, sustainable, and resilient Amaravati capital city. The attached technical assistance (TA) provides significant additionality by leveraging the results and impact of the government program. Several indicators proposed under the RBL program are planned to be directly supported through the TA – providing opportunities to scale up and replicate innovative approaches to increase private sector engagement, climate and disaster resilience, adopt resilient and gender-responsive urban design guidelines and digitalization.

(i) Outputs and Activities

Table 12: Summary of Major Outputs and Activities

Major Outputs	Delivery Dates	Key Activities with Milestones
1. Output 1: Institutional capacity to promote private sector financing strengthened	Q2 2027	1.1 Advertise all consultant packages (Q1 2025). 1.2 Award all consultant packages (Q2 2025). 1.3 Support to adopt and update the business roadmap of Amaravati city by the economic development unit (Q4 2025) 1.4 Develop effective mechanisms to mobilize private capital finance through land monetization and asset management (Q3 2025). 1.5 Support in development of at least 3 PPP transactions (Q4 2026). 1.6 Pilot tests for financing frameworks, including PPPs, launched (Q2 2027).
2. Output 2: Amaravati city climate change action plan strengthened.	Q4 2026	2.1 Advertise all consultant packages (Q1 2025). 2.2 Award all consultant packages (Q2 2025). 2.3 Prepare climate change risk assessment framework through review of existing studies (Q4 2025). 2.4 Prepare Amaravati City Climate Change Action Plan (Q2 2026). 2.5 Undertake a dissemination workshop (Q4 2026).
3. Output 3: Amaravati city disaster resilience including flood management plan strengthened.	Q4 2026	3.1 Advertise all consultant packages (Q1 2025). 3.2 Award all consultant packages (Q2 2025). 3.3 Review, update and strengthen flood management plan from climate change perspective for Amaravati city to minimize risk of future flooding (Q1 2026) 3.4 Prepare Disaster Resilience Action Plan (including updated flood management plan) (Q2 2026) 3.5 Operationalization of Disaster Risk Management and Flood Monitoring Agency for Amaravati (Q4 2025) 3.5 Undertake a dissemination workshop (Q4 2026).
4. Output 4: Sustainable, resilient and gender-responsive approaches and design guidelines mainstreamed into the infrastructure development	Q3 2027	4.1 Advertise all consultant packages (Q1 2025). 4.2 Award all consultant packages (Q2 2025). 4.3 Incorporate sustainable, climate, and disaster-resilient, and gender-responsive features in urban design guidelines for infrastructure/service delivery (Q3 2025). 4.4 Develop gender-responsive and inclusive skills and capacity development program curricula for stakeholders (Q4 2025) to ensure meaningful and

Major Outputs	Delivery Dates	Key Activities with Milestones
		context-appropriate engagement and participation of women and vulnerable populations. 4.5 Roll out gender responsive and inclusive training program in at least 3 locations (Q1 2026–Q4 2029), promoting social development.
5. Output 5: Capacity to apply digital technology solutions for urban planning, resource management, service delivery and data-informed decision and policy making strengthened	Q4 2027	5.1 Advertise all consultant packages (Q1 2025). 5.2 Award all consultant packages (Q2 2025). 5.3 Prepare the program schedule and plans for digital technology solutions (Q4 2025). 5.4 Piloting implementation of digital technology solutions (Q1 2026–Q4 2026).
6. Output 6: Institutional capacity to promote inclusive, green, and economic planning, and sustainable urban services delivery strengthened	Q4 2027	6.1 Advertise all consultant packages (Q1 2025). 6.2 Award all consultant packages (Q2 2025). 6.3 Develop institutional strengthening roadmap for Amaravati city government, ring-fenced urban transport agency and water utilities (Q4 2025). 6.4 Design and pilot the smart urban management systems (Q4 2026–Q3 2027). 6.5 Launch training programs on smart and gender-responsive urban management, climate resilience, and disaster preparedness (Q1 2026–Q3 2026). 6.6 Conduct exposure visits to national and international best practices (Q2 2025–Q4 2027). 6.7 Conduct city to city knowledge and experience sharing on greenfield and brownfield developments. (Q2 2025–Q4 2027)

GESI = gender equality and social inclusion, PPP- public-private partnership, Q = quarter.

Source: Asian Development Bank.

(ii) Cost and Financing

53. The TA financing amount is \$1.5 million, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The government will provide counterpart support in the form of counterpart staff and other in-kind contributions. The key expenditure items are listed in the TA paper, accessible from the list of annexes and supplementary documents in the Report of Recommendations of the President.

B. Implementation Status

54. ADB will administer TA and the Water and Urban Development Sector Office, Sectors Group, South Asia Team will select, supervise, and evaluate consultants.

C. Consulting Service Requirement

55. The key consulting services requirements and selection approaches are summarized in Table 13. Outline terms of references are provided in the TA paper, accessible from the list of annexes and supplementary documents in the Report and Recommendations of the President.

Table 13: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	January 2025–December 2029		
Executing agency	Andhra Pradesh Capital Region Development Authority, Government of Andhra Pradesh		
Implementing agency	Andhra Pradesh Capital Region Development Authority		
Consultants	To be selected and engaged by ADB in consultation with APCRDA		
	Firm: QCBS (90:10) using STP	Preparation of Climate Change Action Plan (44 person-months)	\$0.30 million
	Firm: QCBS (90:10) using STP	Preparation of Disaster Resilience Plan including flood management Plan (30 person-months)	\$0.20 million
	ICS	International expertise (24 person-months)	\$0.30 million
		National Expertise (52 person-months)	\$0.20 million
Procurement	To be procured by consultants following ADB's Procurement Policy (2017, as amended from time to time)		
	Shopping	Estimated 5-10 contracts	\$100,000
Advance contracting and retroactive financing	NA		
Disbursement	Disbursement of TA resources will follow ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	Fixed assets will be handed over to respective government agencies upon TA completion ^a		

ADB = Asian Development Bank, ICS = individual consultant selection, NA = not applicable, QCBS = quality- and cost-based selection, TA = technical assistance.

^a Consultants and/or ADB will be the signatory for supply contracts for all equipment purchased under the TA. Procurement of goods by consultants will be in alignment with ADB Procurement Policy 2017 (as amended from time to time). All equipment and fixed assets will be handed over to the ULBs upon TA completion. For the definition of fixed assets, refer to ADB. 2016. Asset Management and Inventory Control. Administrative Orders. AO 4.02. Manila. Source: ADB.

VIII. MONITORING OF KEY PROGRAM COVENANTS

56. The government of Andhra Pradesh has agreed with ADB on assurances for the RBL program, which are set forth in Table 14 below.

Table 14: Implementation Arrangement

Item	Assurances
Implementation Arrangements	<p>1. The Government and the executing agency shall ensure that the Program is implemented in accordance with the detailed arrangements set forth in the PID. Any subsequent change to the PID shall become effective only after approval of such change by the Government and ADB. In the event of any discrepancy between the PID and this Loan Agreement, the provisions of this Loan Agreement shall prevail.</p> <p>2. The Government shall cause the executing agency to ensure that the aggregate amount of eligible expenditures under the Program is equal to or exceeds the Loan proceeds withdrawn by the Government for the Program. Such eligible expenditures are part of the expenditures incurred under the ACC Program, but they exclude any expenditures for ((i) procurement of works, goods and services from persons or entities debarred or suspended by ADB; (ii) procurement involving High-Value Contracts; (iii) any activities which are classified as category A for environmental impact under the SPS; (iv) any activities assessed as likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on environment and/or affected people; and (vi) any activities which are prohibited investment activities provided in Appendix 5 of the SPS.</p>

Item	Assurances
	<p>3. The Government shall ensure or cause the executing agency to ensure, towards smooth implementation of the Program, that grievances if any from stakeholders, relating to Program implementation or use of funds are addressed effectively and efficiently.</p> <p>4. The Government shall ensure, or cause the State and the executing agency to ensure, compliance with all the requirements and obligations in their part as included in this Loan Agreement and the Program Agreement to meet the objectives of the Program in a timely and efficient manner.</p>
DLI Compliance and Program Dialogue	<p>5. The Government shall ensure that all DLIs achieved under the Program continue to be complied with for the duration of the ACC Program</p> <p>6. The Government shall keep ADB informed of discussions with other multilateral or bilateral aid agencies that may have implications for the implementation of ACC Project and the Program and shall provide ADB with an opportunity to comment on any resulting proposals. The Government shall give due consideration to ADB's views before finalizing and implementing any such proposal.</p>
Technical Requirements	<p>7. The Government shall ensure that all Program Actions in the area of technical requirements are implemented in a timely and efficient manner.</p>
Financial Management	<p>8. The Government shall ensure that all Program Actions in the area of financial management are implemented in a timely and efficient manner.</p>
Procurement	<p>9. The Government shall ensure that each contract under the Program is awarded on the basis of the Program's procurement system, having due regard for principles of competition, economy and efficiency, transparency, and fairness and equal opportunity.</p> <p>10. The Government shall ensure that all Program Actions in the area of procurement are implemented in a timely and efficient manner.</p>
Environmental and Social Safeguards	<p>11. The Government shall ensure that all Program Actions in the area of environmental and social safeguards are implemented in a timely and efficient manner.</p> <p>12. (a) The Government shall ensure, or cause the executing agency to ensure, that no construction or rehabilitation works under the Program involve significant adverse environmental impacts that may be classified as category A under the SPS. Prior to commencing any construction or rehabilitation works under the Program, the Government shall conduct, or cause the executing agency to conduct, a screening to ensure that any works that may be classified as category A for environment impacts within the meaning of SPS are excluded from the Program.</p> <p>The Government shall ensure, or cause the executing agency to ensure, that the preparation, design, construction, implementation, operation and decommissioning of all activities under the Program comply with (i) all applicable laws, regulations and guidelines of the Government relating to environment, health and safety; (ii) the environmental safeguards; and (iii) all measures and requirements, including monitoring requirements set forth in the Program Action Plan.</p> <p>13. The Government shall ensure, or cause the executing agency to ensure, that the preparation, design, construction, implementation, operation and decommissioning of all activities under the Program comply with (i) all applicable laws and regulations of the Government relating to resettlement; (ii) Involuntary Resettlement Safeguards; and (iii) all measures and requirements, including monitoring requirements set forth in the Program Action Plan.</p> <p>14. The Government shall ensure, or cause the executing agency to ensure, that the preparation, design, construction, implementation, operation and decommissioning of all activities under the Program comply with (i) all applicable laws and regulations of the Government relating to indigenous peoples; (ii) Indigenous Peoples Safeguards; and (iii) all measures and requirements, including monitoring requirements set forth in the Program Action Plan.</p>
Gender and Social Equality	<p>15. The Government shall ensure that all Program Actions in the area of gender and social equality are implemented in a timely and efficient manner.</p>
Governance and Anticorruption	<p>16. The Government shall ensure, or cause the executing agency and Implementing Agencies to ensure, that the Program complies with the Anticorruption Guidelines and that all appropriate and timely measures are taken to prevent, detect and respond to allegations of fraud, corruption or any other prohibited activities relating to the Program in accordance with the Anticorruption Guidelines.</p> <p>17. The Government shall, or cause the executing agency and Implementing Agencies to, (i) promptly inform ADB of any allegations of fraud, corruption or any other prohibited activities relating to the Program; and (ii) cooperate fully with any investigation by ADB on</p>

Item	Assurances
	such allegations and extend all necessary assistance, including providing access to all relevant records, for satisfactory completion of such investigation. 18. Within 90 days of the effective date, the Government shall, or cause the executing agency and Implementing Agencies to, update its public website to (i) provide information on progress of the Program; (ii) post the annual audited financial statements for the Program, as such financial statements become available; and (iii) disseminate other relevant information on Program implementation.

ACC = Amaravati Capital City, ADB = Asian Development Bank, DLI = disbursement-linked indicator, PID = program implementation document, SPS = Safeguard Policy Statement.

Source: ADB.

IX. SUMMARY OF KEY OUTSTANDING ISSUES

Table 15: Key Outstanding Issues and Actions
(as of October 2024)

Number	Key Issues	Status in Addressing the Issues	Next Steps	Responsible Agencies and People	Time Frame for Implementation
	Not Applicable				

Source: Asian Development Bank.

X. ACCOUNTABILITY MECHANISM

57. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted operations can voice and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures.² People who are, or may in the future be, adversely affected by a program supported by RBL may submit complaints to ADB's Accountability Mechanism.

58. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to resolve their problems and/or issues by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.

XI. CHANGES IN PROGRAM SCOPE AND IMPLEMENTATION ARRANGEMENTS

Table 16: Changes in Scope and Implementation Arrangements
(as of November 2024)

Number	Changes and Key Reasons	Date	Names of Documents

Source: Asian Development Bank.

XII. PROGRAM ORGANIZATIONAL STRUCTURE AND FOCAL STAFF

A. Organizational Structure

59. The APCRDA serves as the nodal agency responsible for Program coordination, comprehensive monitoring, supervision, and the implementation of works related to AGC and LPS neighborhoods. This includes skill training, capacity building initiatives, and institutional

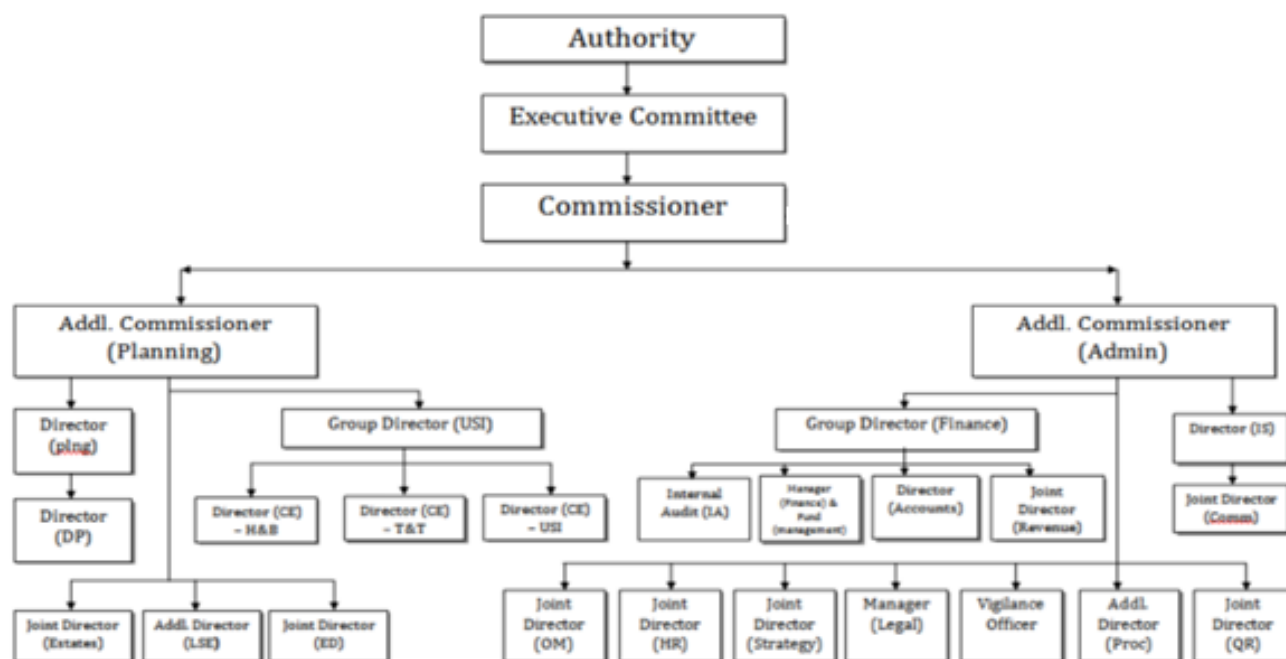
² ADB. 2012. [Accountability Mechanism Policy 2012](#).

strengthening activities. The trunk infrastructure and flood mitigation works will be carried out by the ADCL.

60. Established under the Andhra Pradesh Capital Region Development Authority Act of 2014, APCRDA is responsible for planning across ACR, including ACC, and development of ACC. It operates through a tiered governance structure, with an Executive Committee responsible for executive decisions, including investment planning approvals. The Commissioner, who reports to the Executive Committee, oversees the management of the APCRDA's functions and operations. Supporting the Commissioner, the APCRDA comprises sectoral experts and professionals dedicated to the development of the capital region and the capital city (see Figure 1 below).

Figure 1: Organizational Structure

B. Program Officers and Focal Persons



Initial Arrangements

Table 17: Program Officers and Focal Persons
(as of October 2024)

Number	Key Government Staff and Positions	Key ADB Staff and Positions
1	Bhaskar Katamneni Commissioner Andhra Pradesh Capital Region Development Authority (APCRDA)	Manoj Sharma Director Water and Urban Sector Group (SG-WUD)
2	G. Surya Sai Praveenchand Additional Commissioner APCRDA Mallarapu Naveen	Sanjay Divakar Joshi Principal Urban Development Specialist Ashwin Hosur Viswanath Senior Project Officer

Number	Key Government Staff and Positions	Key ADB Staff and Positions
	Additional Commissioner APCRDA	Leah Jean A. Luna Associate Project Analyst Anita Kumari Associate Project Analyst
3	D. Lakshmi Parthasarathy Chairperson and Managing Director Amaravati Development Corporation Limited	

Sources: Asian Development Bank and APCRDA.

Changes during Implementation

61. Table 18 includes a record of any changes during implementation in the ADB mission leader and key executing agency staff, including new names, titles, dates of the changes, and the reasons for the changes.

Table 18: Changes in Key Executing Agency Staff and ADB Mission Leader
(as of October 2024)

Number	Changes	Date	Reasons for the Change ^b
1	Not Applicable		

Source(s): Asian Development Bank

STATEMENT OF AUDIT NEEDS TERMS OF REFERENCE FOR APPOINTMENT OF PROGRAM EXTERNAL AUDITOR - AMARAVATI INCLUSIVE AND SUSTAINABLE CAPITAL CITY DEVELOPMENT PROGRAM

I. Introduction

Program-for-Results (PforR) by World Bank and Result Based Lending (RBL) by Asian Development Bank (ADB) is an approach to financing with primary objective to support governments in improving performance in the areas of design and implementation of their programs through program systems and establishing a direct link between accomplishment of results and disbursement of ADB and WB [together called as Bank(s)] funds. One hundred percent of the Bank's financing is provided according to the achievement of Disbursement Linked Indicators (DLIs) of results as agreed in the Loan Agreement. The Loan Agreement also contains several Program Action Plan (PAP) items, which are also required to be independently verified. In simple words, PforR/ RBL is a "results-based" instrument, which means disbursements are tied to the achievement of outcomes rather than up-front expenditures, as is the practice with traditional Bank's investment lending.

After bifurcation, the new state, Telangana, retained the state's original capital, Hyderabad. The residuary Andhra Pradesh state therefore announced the decision to build Amaravati as the new capital on a greenfield site of 217.23 km², along the south bank of the River Krishna. The Amaravati development is estimated to cost \$6.3 billion in two phases with an investment of \$3.1 billion in Phase I under the overarching program of the government as laid out in the Perspective Plan 2050. Andhra Pradesh Capital Region Development Authority (APCRDA) is the nodal agency for development of the Capital region development and will be the Executing Agency for the Amaravati Inclusive and Sustainable Capital City Development Program (AISCCDP).

In this connection, APCRDA invites quotations from Chartered Accountant (CA) firms to be appointed as Program Auditor for Year _ of the AISCCDP. The Period for which the audit must be undertaken is for Year xx, i.e., 1 April 20xx–31 March 20xx. The Firm will be required to audit only the expenditure and procurement related to the AISCCDP of the APCRDA and Amaravati Development Company Limited (ADCL).

II. Objective

The Bank mandates the adoption of international standards or their national equivalents for financial reporting and auditing for program parallelly financed by WB/ ADB loans. The proceeds of any loan made, guaranteed, or participated in by Bank should be used only for the purposes for which the loan was granted and comply with financial covenants incorporated in the legal agreements.¹ Banks require an external independent audit, performed by applying international standards on auditing or their national equivalent to obtain reasonable assurance opinion that the proceeds of the WB/ ADB loans were used only for the purposes for which they were approved. Projects or Programs implemented in India may be audited either by the Comptroller and Auditor General of India (CAG) or a private auditor.²

¹ Article 14 of the Agreement Establishing the ADB (The Charter) and the World Bank's charter [Article III Section V(b) of IBRD's Articles of Agreement and Article V Section 1(g) of IDA's Articles of Agreement] specify that: "The Bank shall make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations"

² WB/ADB also accepts audits conducted by independent private auditors licensed to perform audits in India by the relevant authority, the Institute of Chartered Accountants of India.

The overall objective of the audit of the Program Financial Statement (PFS) is to enable the auditor to express a professional opinion as to whether:

- (i) the internal control framework of implementing agencies in regard to Procurement and financial management aspects is duly confirming compliance with the Program Guidelines;
- (ii) the PFS present fairly, in all material respects, the sources and applications of program funds for the period under audit examination;
- (iii) the funds were utilized for the purposes for which they were provided; and
- (iv) expenditures shown in the PFS are eligible for financing under the relevant loan agreement.

In addition, the auditor will express a professional opinion as to whether the books of account that provide the basis for preparation of the PFS are established to reflect the financial transactions of the program and are maintained by the program implementation agency. The audit report shall reflect on the systemic issues, robustness of the internal controls and compliance with financing agreements, to enable follow-up action.

III. Program Documents

The following are the important Program Documents which the auditor needs to familiarize with:

Sr. No	World Bank	ADB
1	Legal Agreements (Loan Agreement and Project Agreement)	Legal Agreements (Loan Agreement and Project Agreement)
2	Program Appraisal Document (PAD)	Program Implementation Document (PID)
3	Integrated Fiduciary Systems Assessment (IFSA)	Program Fiduciary Systems Assessment
4	Program Operations Manual (POM)	Program Expenditure and Financing Assessment
5	Government Orders issued for the Program	Program Results Framework Assessment
6	Disbursement and Financial Information Letter (DFIL)	Program Soundness Assessment

IV. Bank's requirements

Auditor's reasonable assurance opinion. The Banks require a reasonable assurance opinion that the PFS are presented fairly in all material respects in accordance with applicable financial reporting standards. WB/ADB does not accept limited assurance or agreed upon procedures.

Additional audit opinions. The Banks requires the auditor to provide additional reasonable assurance opinions on each of the following:

Compliance with financial covenants. Audit opinion to confirm the level of compliance with the financial covenants (if any) stipulated in legal agreements with substantiation provided by the EA/IA on the computation of each such financial covenant. The auditor will indicate the extent of noncompliance (if any), by referencing the covenanted and actual performance measurements for each such financial covenant.

Management letter. This is provided by auditors to communicate deficiencies and weakness in an organizational structure and internal control, give recommendations on improving internal control and update the status of implementation of prior period auditor's recommendation.

Financial reporting period. The first reporting period begins on the date of loan effectiveness and ends on the date of the fiscal year-end in the year of loan effectiveness.³ Financial reports should be submitted annually during Program implementation, irrespective of the expenditure level. The final reporting period will be up to the financial closing date, when all expenditures incurred by the Program should be recorded and reconciled with WB/ ADB's disbursement records.

V. Borrower's responsibilities

A borrower or an EA/IA shall:

- (i) maintain separate accounts and records for the Program in accordance with international financial reporting standards or their national equivalents.
- (ii) have such PFS audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to Banks in accordance with international standards on auditing or their national equivalent.
- (iii) as part of each such audit, have the auditors prepare a report, which includes the auditors' reasonable assurance opinion on the PFS and a management letter containing recommendations for improvements in internal control, where applicable, and other matters.
- (iv) provide a management representation letter to the auditor together with the PFS.
- (v) furnish to Banks, within the due date stipulated in the loan / Program agreement, copies of such audited Program financial statements (APFS), audit report and management letter, and such other information concerning these documents and the audit thereof as Banks may, from time to time, reasonably request.

VI. Program Financial Statements

Form and content. The contents of PFS are specific to the Program and the EA/IA.⁴ Banks' Programs usually contain cost categories as described in the Program Implementation Document (PID)/Program Appraisal Document (PAD), and for comparability, PFS must follow the same cost categories as in the Program Expenditure Framework.

Basis of accounting. The cash basis for financial reporting determines the PFS contents including Statement of receipts and payments, and notes to the financial statements.

Notes to the financial statements. A set of explanatory notes and schedules providing sufficient information and explanations in narrative form or through tabulated data on the Program, the loan, basis of accounting, accounting policies, breakdown of receipts and expenditure, and other explanatory information.

Common statements. Irrespective of the basis of accounting adopted, the PFS should include the following statements:

- (i) Claims submitted to and disbursed by each Bank;
- (ii) claims for achievement of DLIs based on withdrawal applications made during the period under audit examination.

³ In cases where the legal agreements provide for retroactive financing, the coverage of the audited Program financial statements and the audit report will be from the date expenditures are incurred during the permitted retroactive financing period.

⁴ ADB. 2022. [Technical Guidance Note: Financial Reporting and Auditing in Sovereign Operations](#). Manila provides more guidance on reporting and auditing requirements, including the methodology for mapping charts of accounts with the cost table.

- (iii) Reconciliation between the expenditure reported in the PFS and WB/ ADB's disbursement data;⁵
- (iv) Comparison of budget appropriations with actual expenditures; and Statement of advance account (where applicable) reconciled with the bank statement.

Supplementary statements or schedules. PFS may include additional information as deemed relevant by the executing agency/implementing agency and/or the auditor.

VII. Audit Deliverables

A reasonable assurance audit opinion on the PFS is required. In addition, a reasonable assurance opinion on the use of loan proceeds and compliance with financial covenants (if any). The auditor should submit the signed audit report and signed management letter to those charged with governance. WB/ADB requires all reports to be presented in English. Auditing standards the audit will be carried out in accordance with the auditing standards followed by cag (2017, as revised from time to time) or national equivalents,⁶ which are based on the international standards for supreme audit institutions (ISSAI) issued by the international organization of supreme audit institutions (INTOSAI).

Scope of audit. While carrying out the program financial audit, the auditor should consider the following: use of funds for approved purposes, and their eligibility for bank financing. Expenditure reported in the PFS should be assessed for eligibility in accordance with the financing agreements and program implementation documents. Where ineligible expenditures are identified as having been included in the PFS, these should be separately disclosed by the auditor. The reimbursement/replenishment as per disbursement linked indicator are in accordance with the relevant financing agreements, works, goods and services financed have been procured as per government of Andhra Pradesh GOAP) procurement rules. compliance with requirements in the legal agreements and program documents. These include the loan/grant agreement, the program agreement, disbursement notification, the bid, the financial management assessment where available and the minutes of negotiations Provision of counterpart funds following the relevant agreement. internal controls compliance with financial covenants (if any) stipulated in the legal agreement. Audit of this statement should be carried out in accordance with the auditing standards followed by cag (2017, as revised from time to time) or national equivalents.⁷

Financial reporting framework. The Program financial statements have been prepared in accordance with applicable financial reporting framework.

- (i) The auditor should apply such tests as the auditor considers necessary under the circumstances to satisfy the audit objective. These expenditures should be carefully examined for program eligibility by reference to the relevant financing agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted and qualified by the auditor.

the auditor will provide that (i) the amount of Bank financing disbursed does not exceed the total amount of expenditure under the RBL program, while taking into account financing from other sources and excluding expenditure pertaining to procurement from ADB non- member countries

⁵ Including any follow-up actions to address the discrepancies with a timeline.

⁶ National equivalent auditing standards like Standards of Auditing (SA) promulgated, issued and revised from time to time by the Institute of Chartered Accountants of India (ICAI) are equally applicable.

⁷ National equivalent Standard on Auditing (SA) 805, "Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement" of ICAI.

(unless universal procurement applies); and (ii) works costing more than \$75 Million or more per contract.

VIII. Management Representation Letter

Content. The EA/IA management is required to include a representation letter along with the PFS, confirming that they have established and maintained sufficient measures to ensure that the financial statements are free from material misstatements, whether due to fraud or error. More specifically, that (a) they have fulfilled their responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework; (b) reasonable assumptions have been made in making accounting estimates, including those measured at fair value; (c) related party relationships and transactions are appropriately accounted for and disclosed; (d) all events subsequent to the date of the financial statements for which the financial reporting framework requires an adjustment or disclosure have been adjusted or disclosed; and (e) the effects of uncorrected misstatements are immaterial. A sample management representation letter is in Annexure 1.

IX. Audit Report Nature of opinion.

The auditor will provide a reasonable assurance opinion, which can be unmodified or modified. If modified, the report will indicate whether it is qualified, a disclaimer, or an adverse opinion. For modified opinions, the auditor will provide explanations in accordance with relevant auditing standards. Sample of audit report is in annexure 2.

Emphasis of matter. If the auditor considers it necessary to draw users' attention to a matter presented or disclosed in the financial statements that is of such importance that it is fundamental to their understanding of the financial statements, but there is sufficient and appropriate evidence that the matter is not materially misstated in the financial statements, the auditor shall include an emphasis of matter paragraph in the auditor's report. Emphasis of matter paragraphs shall only refer to information presented or disclosed in the financial statements.

Other matters. Should the auditor deem it essential to convey an issue beyond what is already presented or disclosed in the financial statements, and if this is deemed relevant to enhance users' comprehension of the audit, the auditor's duties, or the auditor's report, it shall be included in a section titled "other matter" or an equally suitable heading. It is suggested that this section is positioned immediately following the opinion and any emphasis of matter paragraph.

Management letter. The auditor assesses the internal control system for audit procedure design purposes, not for evaluating its effectiveness. Such an assessment may reveal control system deficiencies, including issues with implementation of bank's advance fund, expenditure statements, or procurement procedures. These issues, if identified, will be communicated with recommendations in a management letter to those charged with governance.⁸ auditors will provide written confirmation if no deficiencies or weaknesses are discovered. A sample management letter is presented in annexure 3.9.

Audit arrangements. Access to information, documents, and relevant parties. The borrower, executing agency and implementing agency must grant the auditor access to all necessary

⁸ ISSAI 1265 – Communicating Deficiencies in Internal Control to Those Charged with Governance and Management.

⁹ Also known as auditor's observations through a letter on 'Internal Control Memorandum (ICM)' issued along with audit report.

information for the audit. This includes bank's loan regulations, financial reporting, and auditing policies,¹⁰ the Report and Recommendation of the President, PAD/PID, the relevant legal agreements, disbursement guidelines,¹¹ and any other relevant documents. The auditor will receive full cooperation from executing agency/implementing agency employees involved in or related to the PFS. The auditor will also have the right to access banks, depositories, consultants, contractors, and other individuals or entities associated with the program.

X. Contract and Fees

The audit fees for this audit would be payable by APCRDA. The auditor should submit its audit report to the APCRDA.

The Period for which the audit has to be undertaken is for Year _____.
The audit report needs to be submitted within _____ days from award of work.

The contract with the Audit firm may be extended for further period of 1 year based on performance and at the discretion of APCRDA.

The auditor should submit three copies of the audited accounts and audit report to the APCRDA and ADCL, along with scanned soft copy.

Annexure 1: Sample Management Representation Letter (to be issued in Andhra Pradesh Capital Region Development Authority and Amaravati Development Corporation Limited)

[To The Auditor]

This letter is provided in connection with your audit of the Program financial statements (PFS) of the Amaravati Inclusive and Sustainable Capital City Development Program (AISCCDP) Program parallelly financed by World Bank (loan no.) and Asian Development Bank (loan no.),{Fill Loan number on space *and remove items italicized within brackets*} for the year ended *[Period {fill period} under audit reference]* for the purpose of expressing an opinion as to whether the PFS present fairly, in all material respects, all receipts and payments of *the Program's receipts of funds, including their sources and applications*¹² as on *the closing date of audit reference period*. We acknowledge our responsibility for the fair presentation of the PFS in accordance with the *cash basis of accounting followed by Government of India Accounting Standards, as applicable for the board*, and we confirm, to the best of our knowledge and belief, the following:

- a) We have established and implemented adequate controls to ensure that the PFS are free from material misstatements as defined by the auditor, whether through fraud or error.
- b) The PFS are free of material misstatements, including omissions.
- c) Funds have been used for the purposes for which they were provided. The expenditures have been accounted for in accordance with the conditions for eligibility incorporated in the legal agreement.
- d) Significant assumptions used by us in making accounting estimates, including those

¹⁰ ADB. Operations Manual (OM) Section J7 relates to Financial Reporting, Auditing, Management, And Monitoring in Sovereign Operations and includes related Staff Instructions.

¹¹ ADB. 2022. Loan Disbursement Handbook. Manila.

¹² Opinion on financial position will be applicable where Balance Sheets are prepared.

- measured at fair value, are reasonable.
- e) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Government of India Accounting Standards
 - f) All events subsequent to the date of the financial statements and for which requires adjustment or disclosure have been adjusted or disclosed.
 - g) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate.
 - h) We have provided you with access to all information of which we are aware, and unrestricted access to persons from our organization.
 - i) The Program has complied with the conditions of all relevant legal agreements, including WB/ ADB Loan Agreement, Program Agreement, the Minutes of Negotiations, disbursement notification, and Program implementation document as applicable in case of investment loan.

<<Any other matters the auditor may consider relevant>>

[Project Director]

[Deputy/Asst. Controller Finance]

[Date]

Annexure 2: Sample Audit Report¹³

Report of the External Independent Auditor

To

[Appointing Authority Andhra Pradesh Capital Region Development Authority and Amaravati Development Corporation Limited]

Report on the Audit of the Program Financial Statements

We have audited the accompanying financial statements of the Program parallelly financed by World Bank (loan no.) and Asian Development Bank (loan no.), {Fill Loan number on space and remove items italicized within brackets} which comprise the statement of Receipt and Payments and Statement of Disbursements as at _____, Statement of Expenditure by Financier, for the year then ended and related notes to financial statements including summary of significant accounting policies for the year/period ended .¹⁴

CASE 1: UNMODIFIED OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the receipts of the funds, including their sources and applications thereof for the year/period ended _____ in accordance with applicable financial reporting framework as mentioned in the notes to the Program financial statements.

Basis of Opinion

[Auditor may insert text based on audit findings]

Case 2: MODIFIED OPINION (QUALIFIED)

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the receipts of funds, including their sources and applications thereof for the year/period ended in accordance with applicable financial reporting framework as mentioned in the notes to the Program financial statements.

Basis for Qualified Opinion

[Auditor will insert text based on audit findings]

Case 3: DISCLAIMER OF OPINION

We do not express an opinion on the accompanying financial statements of the Program. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

¹³ See relevant portions of CAG' Auditing Standards, 2017 or as amended from time to time, for conditions where unqualified, qualified, adverse or disclaimers of opinion may appropriately be rendered.

¹⁴ Insert titles of other required statements and schedules included in or annexed to the Program financial statements, if any

Basis for Disclaimer of Opinion

[Auditor will insert text based on audit findings]

Case 4: ADVERSE OPINION

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion* section of our report, the accompanying Program financial statements do not present fairly, *the receipts of funds, including their sources and applications thereof* for the year / period then ended in accordance with the applicable financial reporting framework as mentioned in the notes to the Program financial statements.

Basis for Adverse Opinion

[Auditor will insert text based on audit findings]

We conducted our audit in accordance with Standards on Auditing issued by the Comptroller and Auditor General of India or Standards of Auditing issued by the Institute of Chartered Accountant of India (ICAI). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the *AISCCDP* in accordance with our Code of Ethics together with the ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

[Auditor will insert text based on audit findings]

Other Matters

[Auditor may insert text, if any, based on audit findings]

Responsibilities of Management and those Charged with Governance for the Financial Statements

The *AISCCDP* management is responsible for the preparation and fair presentation of these financial statements in accordance with applicable financial reporting framework and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Program's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee

that an audit conducted in accordance with our auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing issued by the Comptroller and Auditor General of India or ICAI (as applicable), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

[Auditor will insert text based on requirements]

In addition, in our opinion,¹⁵

- a) Proceeds of the loan from WB/ ADB have been utilized for the purposes as per WB/ ADB Loan/Program Agreement.
- b) There are no financial covenants stipulated under the loan.

This report is issued without prejudice to CAG's right to incorporate the audit observations in the Report of the CAG of India for being laid before Parliament/State or Union Territory Legislature.

*[Auditor's Signature]*¹⁶

[Auditor's Address] [Date]

¹⁵ The auditor may qualify his/her opinion on these matters considering all or specific qualifications.

¹⁶ Signature in the name of the Supreme Audit Institution (SAI), the personal name of the auditor, or both, as appropriate for the jurisdiction or in the manner as per ICAI guidelines for signing audit reports and financial statements as the case maybe.

Annexure 3: Sample Management Letter (ML)

Date: [dd/mm/yyyy]

To

The Project Director

[WB/ ADB loan number]

Program name: Amaravati Inclusive and Sustainable Capital City Development Program (AISCCDP)

Name of implementing (IA) agency: Andhra Pradesh Capital Region Development Authority

Subject: Management letter (ML) for the audit of the Program financial statement of [WB/ ADB loan] – Amaravati Inclusive and Sustainable Capital City Development Program for the [year/period] ended [dd/mm/yyyy].

Dear Sir/Madam,

The purpose of this letter is to set out certain matters that came to our attention during the course of the audit of Program financial statements (PFS) of *World Bank (loan no.)* and *Asian Development Bank (loan no.)*, and forms part of the deliverables related to the audit of the Program for the fiscal year ended [dd/mm/yyyy].

Our objective is to use our knowledge of the operations gained during our audit work to make useful comments and suggestions for the management to consider. However, the management must appreciate that our audit work is designed to enable us to form an opinion on the financial statements of the Program operations and it may not be relied upon to disclose all irregularities that may exist or to disclose errors that are not material in relation to the financial statements.

This letter is designed to include useful recommendations that may help improve performance and avoid weaknesses that could lead to material loss to the entity or misstatements in the Program's financial statements. It is the management's obligation to implement effective measures to remedy those weaknesses failing which the auditor may not be held responsible if loss or misstatement occurs as a result of such weaknesses.

We issue this letter on the premise that it is for the information of Program management and the Asian Development Bank who are the end-users of these PFS; that it will not be quoted or referred to, in whole or in part, to any other party, without our prior written consent; and that we will accept no responsibility to any third party in relation to it.

This document contains three sections. The first section addresses our observations emerging out of the current period's audit and our recommendation in each area. These matters have been discussed with management and their response, as appropriate, is included herein. The second section is a summary of the matters raised in earlier periods' MLs, that may not have been resolved, together with their status. The third section reports a summary of matters raised in earlier periods' management letters which have been addressed during the current financial year.

Section A : Observations arising out of current audit

Observation XX

[Matters or observations where there is a risk of a significant financial impact on the Program financial statements (PFS) due to control failure. These are not material enough that require

qualification or an exception in our Program audit report drawing attention of the users, but these must be addressed at the earliest opportunity as continuing failure of these controls may significantly impact Program operations.

It is important that financial risks or impacts are provided, and that they are relevant and authentic.]

Recommendations

[This section will contain recommendations, which should be clearly stated, and which must be practical in a Program context. It should also state the benefits of implementing the recommendations.]

Management response

[Management comments should be included here without editing.]

Section B: Unresolved matters highlighted in earlier management letters**Observation XX**

[Matter with brief description with any relevant background information highlighting the specific risks associated with the observation.]

Recommendations

[This section will contain recommendations made in earlier periods, modified if necessary due to current situation, together with the benefits of implementing the recommendations.]

Management response

[Management comments with reasons why the issue could not be addressed should be included here without editing.]

Section C: Issues highlighted in earlier management letters resolved during this year**Observation XX**

[Observations raised in earlier periods which were addressed during the current year.]

Comments

[This section will contain auditor's reaction to the effectiveness of the management's implementation of the control measures.]

Management response

[Management comments may be made where the auditor's reaction is not positive.]

Sincerely,

[Auditor's signature]

Annex 4: Program Financial Statement

Name of the Executing Agency: Andhra Pradesh Capital Region Development Authority
Name of the Program: Amaravati Inclusive and Sustainable Capital City Development Program
Loan/Grant No.

Consolidated Source and Use of funds (Component wise)

(Amount in INR million)

Particulars	Expenditure	Non claimable	Eligible Expenditure
	For the year	For the year	
Sources	1	2	(3) = (1) - (2)
Opening Bank Balance (if any)			
Add: Own Funds			
Add: Amount received during the year from GOAP			
Add: Interest			
Total Sources			
Expenditure by Agency:			
APCRDA and ADCL			
Procurement of consultancies, goods, systems, and equipment (including training, capacity building, and technical assistance activities)			
Incremental operational cost of the Program IAs			
Capital investments and O&M of trunk infrastructure (including road, water, electricity, drainage, sanitation, and public transport)			
Capital investments and O&M of municipal infrastructure and basic services for the LPS parcels			
Capital investments and O&M of public administrative buildings and affordable housing in the priority areas			
Closing Balance (if any)			

Director Finance

Program Director

Notes:

1. This financial statement is prepared on _____ basis of accounting.
2. Any other Program specific Note.

Annexure 5: Source and Use of funds (Entity wise)
APCRDA

(Amount in INR)

	For the year	Cumulative from Program beginning
Sources of Funds		
Opening Bank Balance (if any)		
Add: Own Funds		
Add: Fund drawn from Government of Andhra Pradesh		
Add: Interest received if any		
Total Sources		
Uses of Funds		
Budget heads used for the Program		
Expenditure by Agency:		
Procurement of consultancies, goods, systems, and equipment (including training, capacity building, and technical assistance activities)		
Incremental operational cost of the Program IAs		
Capital investments and O&M of municipal infrastructure and basic services for the LPS parcels		
Capital investments and O&M of public administrative buildings and affordable housing in the priority areas	0	
Closing Bank Balance (if any)	0	

Director Finance**Program Director**

Notes:

1. This financial statement is prepared on _____ basis of accounting.
2. Any other Program specific Note.

Annexure 6: Source and Use of funds (Entity wise)
ADCL

(Amount in INR)

	For the year	Cumulative from Program beginning
Sources of Funds		
Opening Bank Balance (if any)		
Add: Own Funds		
Add: Fund drawn from Government of Andhra Pradesh		
Add: Interest received if any		
Total Sources		
Uses of Funds		
Program Expenditure		
Procurement of consultancies, goods, systems, and equipment (including training, capacity building, and technical assistance activities)		
Capital investments and O&M of trunk infrastructure (including road, water, electricity, drainage, sanitation, and public transport)		
Incremental operational cost of the Program IAs		
Total uses	0	
Closing Bank Balance (if any)	0	

Director Finance**Program Director**

Notes:

1. This financial statement is prepared on _____ basis of accounting.
2. Any other Program specific Note.

Annexure 7: Procurement Annexure – Status of Procurement and contract management audit (Entity wise)

Name of the Agency (separate sheet for each agency)

Part A: Contract review form

Area of Review	Status based on review *
No contract awarded to any World Bank and ADB debarred firm under the program.	
The amount of Bank financing disbursed does not exceed the total amount of expenditure under the RBL program, while taking into account financing from other sources and excluding expenditure pertaining to procurement from ADB non- member countries (unless universal procurement applies); and (ii) works costing more than \$75 Million or more per contract;	
All necessary supporting documents, records, and accounts have been kept in respect of all program expenditure.	

*Based on review of minimum 15% of the contract shall be reviewed

A separate procurement and contract management section on the consolidated findings shall be provided as part of the audit report.

Director Finance

Program Director

Auditor

%Total Program Cost									
Total Program Cost for [insert prior year period]									

¹ The financing percentages for WB/ ADB funds should directly correlate to the financing percentages in the allocation table(s) of the financing agreement(s).

² Expenditure categories are based on the cost allocation table as per Loan/Grant Agreement

³ The figures shown against various categories of expenditure should agree with the current year's payment in Annexure xx, Statement of Receipts and Payments.

⁴ This shall include total expenditure claimed from WB/ ADB under various disbursement procedures, i.e. direct payment, reimbursement, imprest account and commitment letter.

Notes 1 to x of the financial statements form an integral part of these financial statements.

GUIDELINES TO PREVENT OR MITIGATE FRAUD, CORRUPTION, AND OTHER PROHIBITED ACTIVITIES IN RESULTS-BASED LENDING FOR PROGRAMS

A. Purpose and General Principles

1. The developing member country (DMC) is responsible for the implementation of programs supported by results-based lending (RBL). The Asian Development Bank (ADB) has a fiduciary responsibility to ensure that its loans and other forms of financing used only for the purposes for which they were granted, in accordance with the Agreement Establishing the Asian Development Bank (the Charter).¹ To uphold that obligation, ADB presents these guidelines to prevent or mitigate fraud, corruption, and other prohibited activities (referred to as “integrity violations” in ADB’s Integrity Principles and Guidelines, 2015 as amended from time to time, or the IPG for brevity) in RBL operations financed in whole or in part by ADB. These guidelines build upon the legal obligations presented in the loan agreement and apply to operations funded by the RBL (the programs).²
2. These guidelines do not limit any other rights, remedies, or obligations of ADB or the DMC under the loan agreement or any other agreement to which ADB and the DMC are both parties.
3. All persons and entities participating in the programs are bound by ADB’s Anticorruption Policy (1998, as amended from time to time) and the IPG, and as such must observe the highest ethical standards; take all appropriate measures to prevent or mitigate fraud, corruption, and other integrity violations; and refrain from engaging in such actions in connection with the programs.

B. Definitions

4. These guidelines address the following practices as defined by ADB:
 - (i) A “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
 - (ii) A “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.
 - (iii) A “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
 - (iv) A “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
5. In addition, ADB may investigate conflicts of interest and abuse, as defined below, as well as other integrity violations enumerated and defined in the IPG:
 - (i) A “conflict of interest” is a situation in which a party has interests that could improperly influence a party’s performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations. To the extent that conflicts of interest may provide an unfair competitive advantage or

¹ ADB. 1966. *Agreement Establishing the Asian Development Bank*.

² ADB may support a part (or a slice) of a government program or the entire government program through RBL. The program or the part that is supported by the RBL is referred to as the RBL program.

- compromise the integrity of financial and governance systems, conflicted persons and entities must be excluded from participating in relevant program activities.
- (ii) “Abuse” is theft, waste, or improper use of assets related to an ADB-related activity, either committed intentionally or through reckless disregard.

C. Developing Member Country’s Actions to Prevent Fraud, Corruption, and Other Integrity Violations in Results-Based Lending for Programs

- 6. Unless otherwise agreed in writing by the DMC and ADB, the DMC will take timely and appropriate measures to
 - (i) ensure that the program is carried out following these guidelines;
 - (ii) avoid conflicts of interest in the program;
 - (iii) prevent fraud, corruption, and other integrity violations from occurring in the program, including adopting, implementing, and enforcing appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the loan are used only for the purposes for which the loan was granted;
 - (iv) promptly inform ADB of allegations of fraud, corruption, and other integrity violations found or alleged related to a program;
 - (v) investigate allegations of fraud, corruption, and other integrity violations and report preliminary and final findings of investigations to ADB;
 - (vi) respond to, mitigate, and remedy fraud, corruption, or other integrity violations that are found to have occurred in a program and prevent its occurrence;
 - (vii) cooperate fully with ADB in any ADB investigation into allegations of fraud, corruption, and other integrity violations related to the program, and take all appropriate measures to ensure the full cooperation of relevant persons and entities subject to the DMC’s jurisdiction in such investigation, including, in each case, allowing ADB to meet with relevant persons and to inspect all of their relevant accounts, records and other documents and have them audited by or on behalf of ADB; and
 - (viii) ensure that persons or entities sanctioned or temporarily suspended by ADB do not participate in RBL programs in violation of their sanction or temporary suspension.

D. ADB’s Actions to Prevent Fraud, Corruption, and Other Integrity Violations in Results-Based Lending for Programs

- 7. Unless otherwise agreed in writing by the DMC and ADB, ADB will
 - (i) inform the DMC of credible and material allegations of fraud, corruption, and other integrity violations related to a program, consistent with ADB’s policies and procedures;
 - (ii) have the right to investigate allegations, following the IPG, independently or in collaboration with the DMC, including, in each case, meeting with relevant persons, and inspecting all of their relevant accounts, records, and other documents and having them audited by or on behalf of ADB;
 - (iii) inform the DMC of the outcome of any investigation, consistent with ADB policies and procedures;
 - (iv) have the right to impose sanction and other remedial action on any individual or entity for engaging in practices defined above, or to temporarily suspend any individual or entity during the course of an investigation, following ADB’s policies and procedures; sanctions and temporary suspensions may result in that party’s

- exclusion from participating in an RBL-financed activity or any other ADB-related activity indefinitely or for a stated period of time;³
- (v) assess ways to respond pursuant to the Anticorruption Policy and other ADB policies and procedures, and may refer the case to appropriate authorities of a concerned DMC, if investigative findings indicate that a government official has engaged in fraud, corruption, and other integrity violations related to a program; and
 - (vi) recognize sanctions determined by other multilateral development banks in accordance with the Agreement for Mutual Enforcement of Debarment Decisions

³ Pursuant to ADB's Integrity Principles and Guidelines (2015, as amended from time to time), if a sanctioned party has an ongoing contract financed by ADB, the debarment or temporary suspension may not affect existing contractual obligations. However, any contract variation must be endorsed by OAI to ensure that a contract variation involving a sanctioned or temporarily suspended party is not an attempt to circumvent the sanction.

INVOLUNTARY RESETTLEMENT IMPACT ASSESSMENT CHECKLIST

A. Introduction

1. Each subsection/section needs to be screened for any involuntary resettlement impacts which will occur or have already occurred. This screening determines the necessary action to be taken by the project team.

B. Information on subsection/section:

- a. District/administrative name: _____
- b. Location (km): _____
- c. Civil work dates (proposed): _____
- d. Technical description: _____

C. Screening Questions for Involuntary Resettlement Impact

2. Below is the initial screening for involuntary resettlement impacts and due diligence exercise. Both permanent and temporary impacts must be considered and reported in the screening process.

Probable Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
1. Will there be land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
Involuntary restrictions on land use or on access to legally designated parks and protected areas				

10. Will people lose access to natural resources, communal facilities, and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? N/A If yes, approximately how many?	[]	No	[]	Yes []
Are any of them poor, female-heads of households, or vulnerable to poverty risks? N/A	[]	No	[]	Yes []
Are any displaced persons from indigenous or ethnic minority groups? N/A	[]	No	[]	Yes []

Note: The project team may attach additional information on the project, as necessary.

INDIGENOUS PEOPLES IMPACT ASSESSMENT CHECKLIST

A. Introduction

1. Each project/subproject/component needs to be screened for any indigenous people impacts which will occur or have already occurred. This screening determines the necessary action to be taken by the project team.

B. Information on project/subproject/component:

- a. District/administrative name: _____
 - b. Location (km): _____
 - c. Civil work dates (proposed): _____
 - d. Technical description: _____
- _____
- _____

C. Screening Questions for Indigenous Peoples Impact

KEY CONCERNS (Please provide elaborations in the "Remarks" column)	YES	NO	NOT KNOWN	Remarks
A. Indigenous People Identification				
1. Are there sociocultural groups present in or using the project area who may be considered "tribes" (hill tribes, scheduled tribes, tribal people), "minorities" (ethnic or national minorities), or "indigenous communities" in the project?				
2. Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the project area as belonging to "ethnic minorities," scheduled tribes, tribal people, national minorities, or cultural communities?				
3. Do such groups self-identify as being part of a distinct social and cultural group?				
4. Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?				
5. Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?				
6. Do such groups speak a distinct language or dialect?				
7. Have such groups been historically, socially, and economically marginalized, disempowered, excluded, and/or discriminated against?				

KEY CONCERNS (Please provide elaborations in the "Remarks" column)	YES	NO	NOT KNOWN	Remarks
8. Are such groups represented as "indigenous people," "ethnic minorities," "scheduled tribes," or "tribal populations" in any formal decision-making bodies at the national or local levels?				
B. Identification of Potential Impacts				
9. Will the project directly or indirectly benefit or target indigenous people?				
10. Will the project directly or indirectly affect indigenous people' traditional sociocultural and belief practices (e.g., child-rearing, health, education, arts, and governance)?				
11. Will the project affect the livelihood systems of indigenous people (e.g., food production system, natural resource management, crafts and trade, employment status)?				
12. Will the project be in an area (land or territory) occupied, owned, or used by indigenous people, and/or claimed as ancestral domain?				
C. Identification of Special Requirements Will the project activities include:				
13. Commercial development of the cultural resources and knowledge of indigenous people?				
14. Physical displacement from traditional or customary lands?				
15. Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cultural, ceremonial, and spiritual uses that define the identity and community of indigenous people?				
16. Establishing legal recognition of rights to lands and territories that are traditionally owned or customarily used, occupied, or claimed by indigenous people?				
17. Acquisition of lands that are traditionally owned or customarily used, occupied, or claimed by indigenous people?				

D. Indigenous Peoples Impact

After reviewing the answers above, executing agency/ safeguard team confirms that the proposed

subsection/ section/subproject/component (tick as appropriate):

- has indigenous people (indigenous people) impact, so an indigenous people plan (IPP) or specific indigenous people action plan is required.
- has No indigenous people impact, so no IPP/specific action plan is required.

INDICATIVE OUTLINE OF SEMI-ANNUAL SOCIAL SAFEGUARDS MONITORING REPORT

1. Following requirements of the ADB Safeguard Policy Statement (2009) and the *Operations Manual* section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of implementation of safeguard plans and ensure progress is made toward the desired outcomes. For projects categorized as A or B in Involuntary Resettlement and/or Indigenous People, the Borrowers/clients are required to submit quarterly or biannual monitoring reports for ADB review. The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social safeguards impacts (involuntary resettlement and indigenous peoples). A safeguard monitoring report may include the following elements:

8.

2. This outline can be used for periodic monitoring report (semiannual) and resettlement plan/resettlement and combined resettlement and indigenous peoples plan (RIPP) to start the civil works in the impacted areas. A safeguard monitoring report may include the following elements:

A. Executive Summary

3. This section provides a concise statement of project scope and impacts, key findings and recommended actions.

B. Background of the Report and Project Description

4. This section provides a general description of the project, including:

- (i) Background/ context of the monitoring report which includes the information on the project, project components, safeguards categorizations, and institutional requirements
- (ii) Information on physical progress of project activities, scope of monitoring report and requirements, reporting period, including frequency of submission and changes in project scope and adjusted safeguard measures, if applicable
- (iii) Summary table of identified impacts and the mitigation actions.

C. Scope of Impacts

5. This section outlines the detail scale and scopes of the project's safeguards impacts, vulnerability status of the affected people/communities, entitlements matrix and other rehabilitation measures, as applicable, as described in the approved final DDRs/RPs/RIPPs.

D. Compensation and Rehabilitation

6. This section describes the process and progress of the implementation of the safeguards plan and other required activities as determined in the plan. This includes payment of the affected assets compensation, allowances, loss of incomes, etc. to the entitled persons; provisions of other types of entitlement as described in the matrix and implementation of livelihood rehabilitation activities as determined in the plan; and specific provisions or beneficial and mitigation measures identified for indigenous peoples. Quantitative as well as qualitative results of the monitoring parameters, as agreed in the plan, should be provided.

E. Project disclosure, public participation and consultation

7. This section describes project disclosure mechanism, public participation and consultations activities during the project implementation as agreed in the plan. This includes consultations with the affected people/indigenous peoples during DDRs/RPs/RIPP finalization after the completion of detail design, the number of activities conducted, issues raised during consultations, and responses provided by the project team, nongovernment organizations, project supervision consultants, and/or contractors.

F. Grievance Redress Mechanism (GRM)

8. This section described the implementation of project GRM as design in the approved RP/RIPP. This includes evaluations of its effectiveness, procedures, complaints receive, timeliness to resolve issues/ complaints and resources provided to solve the complaints. Special attentions should be given if there are complaints received from the affected people or communities.

G. Institutional Arrangement

9. This section describes the actual implementation, or any adjustment made to the institutional arrangement for managing the social safeguards issues in the projects. This includes the establishment of safeguards unit/ team and appointment of staff in the executing or implementing agencies; implementation of the GRM and its committee; supervision and coordination between institutions involved in the management and monitoring of safeguards issues, including indigenous peoples organizations and women's groups in the monitoring and implementation of the plan, if any.

H. Monitoring Results-Findings

10. This section describes the summary and key findings of the monitoring activities. The results are compared against previously established benchmarks and compliance status (e.g., adequacy of involuntary resettlement compensation rates and timeliness of payments, adequacy and timeliness of involuntary resettlement rehabilitation measures including livelihood support measures, and training; budget for implementing EMP, DDRs/RPs/RIPPs, timeliness and adequacy of capacity building, etc.). This section also compares the findings against the objectives of safeguards or desired outcomes documented (e.g. involuntary resettlement impacts avoided or minimized; livelihood restored or enhanced; indigenous peoples' identity, human rights, livelihood systems, and cultural uniqueness fully respected; indigenous people not facing adverse impacts, environmental impacts avoided or minimized). If noncompliance or any major gaps identified, include the recommendation of corrective action plan.

I. Compliance Status

11. This section will summarize the compliance status of the project activities with the loan covenants, ADB SPS (2009) on SR 2 and SR 3 and the approved final DDRs/RPs/RIPP.

J. Follow up Actions, Recommendation and Disclosure

12. This section describes recommendations and further actions or items to focus on for the remaining monitoring period. It also includes lesson learned for improvement for future safeguards monitoring activities. Disclosure dates of the monitoring report to the affected communities should

also be included. A time-bound summary table for required actions should be included, with the following attachments.

- (i) List of Affected Persons and Entitlements
- (ii) Summary of RP/RIPP with entitlement matrix
- (iii) Copies of AP's certification of payment (signed by the APs)
- (iv) Summary of minutes of meetings, copies of attendance sheets and photographs during public consultations
- (v) Summary of complaints received and solution status

COMMUNICATION, PUBLIC CONSULTATION AND INFORMATION DISCLOSURE - GUIDELINE

A. Consultations in the Program

The involvement of stakeholders at various stages of program implementation will ease the communication between varied stakeholders and multiple units of APCRDA. It is a crucial aspect for this program which has a history of unprecedented delays; to reduce the conflicts, if any at early stages rather than letting it escalate and resulting in implementation delays and cost overrun. Participation of local grassroots level communities in decision-making will help in mitigating adverse impacts will ensure enhanced community ownership in the program.

APCRDA has been receptive towards the voices of the community since the beginning of Amaravati Capital City project. Extensive public and multiple stakeholder consultations and public communication and outreach activities were conducted throughout the planning and implementation phases of the Amaravati Capital City (ACC) development. Since 2014, multiple consultations have taken place, ranging from informal, door-to-door conversations to large, organized meetings with local communities, farmers, landowners, environmental experts, and government officials. The APCRDA had set up Public Information Centers (PICs) in each village to facilitate continuous, on-demand consultations, with information provided in English and Telugu. During the process of ADB's and World Bank's financing for Phase One of the capital city development Program; further consultations were carried-out with multiple stakeholders (refer Section 5 of the ESSA report for details). Overall, people are aware of the subproject development and land assembly and compensation related information through consultations and other awareness measures carried out in the past by different units of APCRDA.

In order to engage with the community and enhance public understanding about the program components, updates about available benefits and address the concerns and issues pertaining to land pooling and annuity payments to farmers, pensions to landless laborers and their current occupational status, status of returnable plots further etc continuous engagement will be required by APCRDA. The section below presents a guideline for the future stakeholder engagement, communication meaningful consultation and disclosure activities. The opinions of the affected persons, stakeholders and their perceptions will be obtained during these consultations and will be conducted in a participatory mode. The consultations with the affected persons and other stakeholders will continue throughout the implementation period of the program. The guideline draws upon the proposed ESMU structure (refer figure 5 and write-up) for carrying out the proposed consultation and stakeholder engagement activities.

This guideline is to be seen as a sub-set of the detailed framework of communication and stakeholder strategy (to be prepared by APCRDA) for the program and primarily focussed on grassroots level (i) direct engagement with the immediate community in the program area (ii) disseminate standardised verifiable information about the program scope, duration, benefits while maintaining transparency (iii) encourage participation of the community through participatory approach. The communication and stakeholder strategy will have a larger scope in terms of multiple engagement tools to communicate with varied groups of stakeholders including the immediate community, interdepartmental communications, private parties and corporates and brand building initiatives leading to fulfilling the program objectives of creating vibrant and inclusive growth of Amaravati. Stakeholder engagement and information disclosure will be continued by the media unit of APCRDA (currently in the process of being set-up) headed by the Joint Director (Communication) throughout the implementation and operation phases.

B. Mapped Stakeholder Groups, Objective and Methodology

Meaningful stakeholder consultations and engagement with the community will be conducted at different stages of the program with multiple and diverse stakeholders (as was conducted during significant milestones). The multiple stakeholders are already identified during the planning stage based on the nature of impacts and category. The identified stakeholders like (i) titled farmers, (ii) landless laborers, (iii) women from self-help groups (SHGs), other community representatives like (iv) farmer associations/groups, (v) civil society members and community-based organizations, and (vi) landless households, (vii) youth (both male and female) will be consulted on multiple program aspects. The key objectives of the future consultation activities with the identified community groups are:

10. Disseminate accurate details of the proposed program scope including upcoming infrastructure facilities, flood mitigation measures, timeline of completion; [design and print small leaflets of program scope, program deliverables and outcomes and outputs in Telegu for dissemination];
11. Conduct participatory workshops and FGDs with the community including vulnerable persons, women and youth groups on the emerging program benefits on job centric skill training and employment opportunities, eligibility criteria. [design and print small leaflets of program scope, including measurable benefits, details of emerging employment opportunities in Telegu for dissemination];
12. Share Gender targets and benefits for the women under the program;
13. Register any pending issues related to annuity, pension, and other benefits; [being conducted as regular activity, need to document such activity]
14. Provide transparent information on the status of returnable plots and allocation to stakeholders;
15. Disseminate information/ address query related to pensions to landless laborers and their current occupational status; [being conducted as regular activity, need to document such activity]
16. Issues related to environmental concerns; proposed environment protection measures of the program;
17. Provide information of the program's grievance redress mechanism; [design and print small leaflets with information on multi-channel platforms to register grievances, grievance redress mechanism, in Telegu for dissemination]
18. Use the consultation channels to disseminate information about any change in scope, program deliverables and outcomes;
19. Any other issue of importance, share important notices and key milestone activities.

The stakeholders will be approached with the help of **social facilitator** of the respective village units PICs (11 to be made functional for the program). The proposed tools of engagement are as follows:

- (i) Small group meetings: *especially useful to disseminate information and/or resolve issues related to compensation and resettlement and rehabilitation benefits*
- (ii) Focus group discussions: *especially with women groups and youths*
- (iii) Large meetings: *to share the program details (plans and drawings to be displayed) and benefits with audio-visual projections about the ACC and upcoming events (in local language Telegu)*
- (iv) Follow-up activities of each meeting/event based on agenda and outcomes

- (v) Prepare case studies based on successful consultation initiatives

C. Plan for Future Consultation in the Project

It is essential for the program to continue with the public engagement and grassroots level public engagement, outreach and communication activities. Employing a participatory approach APCRDA will continue to engage with the community including all stakeholders at the grassroots level to deliver the program objectives. The details about the various program components including information on the direct beneficial aspects targeted to benefit the community like skill and livelihood centric trainings and employment opportunities; should be shared in a transparent manner. It is important to disseminate information which are verifiable, accurate and not contradictory. The information should be disseminated from within the framework of APCRDA. Grievance redress (receive, mitigate, follow-up and maintain record) and is also one of the important aspects of this program. The multiple-channel existing system of grievance redress process within the APCRDA will be strengthened and integrated to deliver better outputs.

Responsibility. Recently, the APCRDA has taken steps to revive and set up at least 11 CAOs focusing on villages where the need for land pooling/land acquisition is greater. PICs are planned to be revived and established along with the CAOs in 11 villages within the Amaravati Capita City (ACC) with information brochures and documentation regarding the program, as well as information regarding the various GRM channels. Each PICs in coordination with the multiple units under the proposed ESMU (refer Section 5 of the ESSA report for details) will be responsible for organizing consultation, public disclosure activities at the field level and the large-scale public meetings will be organised under the aegis of the Director Social / Director Environment and in coordination with other field level units and APCRDA management. The consultation activities will be supported by PMC at the field level as and when required and PgMC will provide guidance and keep record of grassroots level communication activities. The in-house communications unit to be set-up by APCRDA will provide assistance in designing the communication materials.

Documentation of Consultation Outcomes. The consultation activities will be documented at the field level by the respective PICs and shall be accumulated monthly by the PgMC. Case studies will be prepared by PgMC on successful initiatives taken during the consultation initiatives under the program. Presence of print, audio-visual and digital media persons will be coordinated by APCRDA. Multiple consultation activities will be part of reports that will be prepared as part of the program. Participation of women, vulnerable groups including landless laborers and youths will be ensured and encouraged by APCRDA.

Disclosure. Information will be disseminated to affected persons at various stages. The ESSA discusses about the disclosure mechanism. Program information booklets//leaflets will be printed and disseminated during the consultation process and activities. The printed booklets/leaflets will cover information on these following issues, at least

20. Program Scope and the DLI Outputs
21. Physical infrastructure
22. Soft components like proposed benefits of the program namely skill training, employment opportunities for multiple stakeholders
23. Benefits for the women and youths and other vulnerable groups
24. Program adopted grievance management system
25. Entitlement matrix and related entitlement and compensation (especially for the yet to be pooled lands)
26. Information on Entitlements disbursed

A stakeholder engagement public consultation and disclosure plan is proposed which will be finalised and implemented by APCRDA for the program in view of activities planned out in the following table.

Table A6: Stakeholder Engagement Consultation and Disclosure Plan

Activity	Target Stakeholder	Objective/s	Responsibility	Means of Verification	Timeline / Frequency	Remarks
Small group meetings	All affected persons/community including farmers (both who have pooled land and those who have not), (ii) landless laborers, (iii) women from self-help groups (SHGs), (iv) farmer associations/groups	i. Disseminate program scope ii. Share program benefits iii. Share key milestones and expected timelines of program activities / construction schedules iv. Record unresolved issues related to annuity, returnable plots and other issues related to compensation and resettlement and rehabilitation and share mitigation measures	Social facilitator in coordination with Social Development Unit / Land and Resettlement Unit / each of the 11 PICs. PMCs at field level to support	Outcome/s will be documented with photographs and attendance register/list of participants and reported in program documents like MPR, QPR, Monitoring Reports, Gender reports	Since the start of the program and continued periodically till the program period	Number of such meetings will be decided by the different units of APCRDA. Each of the 11 PICs to organize such meetings Design and print small leaflets of program scope, in Telegu for dissemination.
FGDs and participatory workshops	(i) Women from self-help groups (SHGs); (ii) Youth groups/youths (both male and female) from the community; iii. landless laborer	i. Share program benefits especially skill training and emerging livelihood /employment opportunities of the program ii. Share selecting criteria, if any to the participants iii. Opportunities for the landless labourers	Social facilitator in coordination with Social Development Unit / Land and Resettlement Unit / each of the 11 PICs. PMCs at field level to support and experts from (PgMC) to attend	Outcome/s will be documented with photographs and attendance register/list of participants and reported in program documents like MPR, QPR, Monitoring Reports, Gender reports	2 FGDs per 11 PICs for the First 6 months of Program effectivity then continued periodically especially till rollout of benefits / opportunities. The FGDs will also be conducted to follow-up	Female participation may be ensured and measured as per gender targets Design and print small leaflets of program scope, in Telegu for dissemination. The in-house communication unit of APRDC

					on the success, issues and challenges if any.	along with PgMC to prepare case-studies on successful implementation of skill training and livelihood initiatives of the program Report in social and environmental safeguards monitoring reports as applicable.
Large Group Meeting/s	(i) farmers (both who have pooled land and those who have not), (ii) landless laborers, (iii) women from self-help groups (SHGs), (iv) farmer associations/groups, (v) civil society members and community-based organizations, and (vi) landless households, (vii) youth (both male and female)	i. Share program scope and key milestones as planned ii. Use audio-visual medium to display the planned activities and key infrastructure components iii. share program benefits for the beneficiaries	Additional Commissioner/Social Director with support from Social facilitator in coordination with Social Development Unit / Land and Resettlement Unit / each of the 11 PICs. PgMC to support	Print, Audio-visual Media reports, Digital media reports and other program documents	The first Large Meeting may be planned just after loan signing and follow-up meetings semi-annually till program completion	Presence of media and top management of APCRDA will be crucial for success of such meetings. ADCL to be involved. Design color booklets/and small leaflets of program scope, in Telegu for dissemination.

OUTLINE OF SEMI-ANNUAL ENVIRONMENTAL MONITORING REPORT

27.

As per ADB SPS 2009, a semi-annual EMR is required for environment Category B projects. The EMR shall cover the following:

1. Executive summary, a 1-2 page a concise statement of program, key findings and recommended actions of monitoring report
2. Background of the Program, outcome, outputs and results
3. About the Environmental Monitoring Report
4. Status of safeguards related program actions, compliance status and details.
5. Status of implementation of program safeguards systems and compliance status and details. Details shall be included in a simple table format, with detailed remarks, and include sample supporting documents in Appendix for each of the item.
 - a. Confirmation on compliance with program exclusion criteria
 - b. Program activities (contract-package wise status), regulatory clearances, permissions – compliance and validity etc., (EC, CTE, CTO, ASI, tree cutting permissions etc.,)
 - c. Contractor's compliance with regulatory requirements, labour licenses, quarry permits, PCB consents etc.,)
 - d. Confirmation on compliance with conditions, standards, etc., specified in statutory permits, clearances etc
 - e. Confirmation of conduct of EIA studies conducted, and EMP, and inclusion of EMPs in each packages bid and contracts¹
 - f. Confirmation of contractor compliance with pre-construction requirements
 - g. Confirmation on implementation of EMP on site, monitoring and reporting
 - h. Confirmation of preparation and submission of six-monthly environmental monitoring / compliance reports to SEIAA / APPCB
 - i. Confirmation of corrective actions, if any, as identified in monitoring reports to address any concerns or non-compliances
 - j. Confirmation on disclosure of safeguards documents (EIA, EMP, EC, monitoring/compliance reports)
 - k. Monitoring and reporting on works within 300 m of Undavalli caves monument (ASI) and compliance with conditions, and chance find procedures
6. Summary of public consultations conducted during the reporting period, feedback and how it is considered in the project implementation
7. Summary of environment, health and safety trainings conducted
8. Public and contractor personnel grievances and redress – summary of grievances received, resolved, pending (current monitoring period, and cumulative)
9. Details of accidents, incidents (near miss cases, minor, major and fatalities) – during reporting period and cumulative. Including actions taken.
10. Findings, Recommendation and follow up actions – summarize the main findings, good practices, concerns and issues, non-compliances, and provide recommendations and corrective actions where necessary, and include a time-bound action plan

¹ if any activity to be included in RBL program is not covered in the existing EIAs or EMPs, it needs to be conducted for inclusion in RBL program

SCREENING CHECKLIST FOR EXCLUDING INELIGIBLE ACTIVITIES FROM RBL PROGRAM

A. Environmental Criteria for Excluding Ineligible Activities from RBL Program

The following checklist shall be completed before inclusion of any activity/subproject in the RBL program. If Answer to any of the mentioned criteria is 'Yes' then such activity/project will not be eligible and shall be excluded from the RBL program. It may however be funded under the overall government program.

Project / Activity Details

Name of the contract package	
Contract package number	
Implementing agency	
Scope of work (main components)	

Screening Questions

QUESTIONS		RESPONSE		REMARKS / CLARIFICATIONS
		Yes	No	
1	Proposed activity / subproject includes components involve prohibited investment activities per ADB SPS?			See Table 1 below for prohibited list
2	Proposed activity / subproject <u>located</u> in: <ul style="list-style-type: none"> • Monuments or sites notified under the Ancient Monuments and Archaeological Sites and Remains Act (1958) (as amended till date) • Protected areas (national parks and wildlife sanctuaries) • Critical habitats 			-
3	Proposed activity / project has potential to lead to: <ul style="list-style-type: none"> • significant degradation of critical habitats or important cultural heritage sites • large-scale changes in natural resources and designated forest areas and/or key biodiversity areas. 			
3	Proposed activity/subproject likely to have significant adverse environmental impacts that are diverse, or unprecedented (i.e., category A projects as per ADB SPS 2009)			-

Table A8: Prohibited Investment Activities per ADB SPS**Prohibited list of activities**

(i) production or activities involving harmful or exploitative forms of forced labor ¹ or child labor; ²
(ii) production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans, such as (a) pharmaceuticals, ³ pesticides, and herbicides, ⁴ (b) ozone-depleting substances, ⁵ (c) polychlorinated biphenyls ⁶ and other hazardous chemicals, ⁷ (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, ⁸ and (e) transboundary trade in waste or waste products; ⁹
(iii) production of or trade in weapons and munitions, including paramilitary materials;
(iv) production of or trade in alcoholic beverages, excluding beer and wine; ¹⁰
(v) production of or trade in tobacco; ²⁰
(vi) gambling, casinos, and equivalent enterprises; ²⁰
(vii) production of or trade in radioactive materials, ¹¹ including nuclear reactors and components thereof;
(viii) production of, trade in, or use of unbonded asbestos fibers; ¹²
(ix) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
(x) marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.

Source: Asian Development Bank Safeguard Policy Statement 2009, Appendix 5.

¹ Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.

² Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention" (www.ilo.org).

³ A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

⁴ A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>.

⁵ A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

⁶ A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

⁷ A list of hazardous chemicals is available at <http://www.pic.int>.

⁸ A list is available at <http://www.cites.org>.

⁹ As defined by the Basel Convention; see <http://www.basel.int>.

¹⁰ This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.

¹¹ This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded.

¹² This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.