

# Land Acquisition and Resettlement Due Diligence Report

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April 2016

India: Visakhapatnam-Chennai Industrial Corridor  
Development Program  
(Augmenting Utility Services for Naidupet Industrial  
Cluster - APIIC/03)

This due diligence report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

## **CURRENCY EQUIVALENTS**

(as of 29 March 2016)

Currency unit	=	Rupee (INR)
INR 1.00	=	USD 0.01501
USD 1.00	=	INR 66.6255

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
APIIC	–	Andhra Pradesh Industries Investment Corporation
APRDC	–	Andhra Pradesh Road Development Corporation
APTransco	–	Transmission Corporation of Andhra Pradesh
DDR	–	Due diligence report
GVMC	–	Greater Visakhapatnam Municipal Corporation
MFF	–	Multitranchise financing facility
VCICDP	–	Visakhapatnam Chennai Industrial Corridor Development Program

## **WEIGHTS AND MEASURES**

cum	–	cubic meter
km	–	Kilometer
mm	–	Millimeter
MVA	–	Megavolt ampere

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## **I. INTRODUCTION**

### **A. Background**

1. The proposed Visakhapatnam-Chennai Industrial Corridor Development Program (VCICDP) will complement ongoing efforts of the Government of Andhra Pradesh to enhance manufacturing sector growth and create high quality jobs in the state of Andhra Pradesh. The VCICDP comprises: (i) a policy-based loan to support policy reforms, and institutional development in the state's industrial sector; and (ii) a multitranche financing facility (MFF) for priority infrastructure projects within the Visakhapatnam-Chennai Industrial Corridor.

2. The envisaged outputs of VCICDP include: (i) ease of doing business improved; (ii) Visakhapatnam-Chennai Industrial Corridor infrastructure strengthened; and (iii) institutional capacities and program management strengthened. The Program will support output 1; and the MFF will support outputs 2 and 3. Subprojects identified for funding under Tranche 1 of the MFF include: (i) Package Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)/01: Construction of Common Effluent Treatment Plant at Atchutapuram and Naidupet Industrial cluster; (ii) Package APIIC/03: Augmenting utility services for Naidupet Industrial cluster, covering water supply, power, internal roads and a one stop centre; (iii) Package Greater Visakhapatnam Municipal Corporation (GVMC)/02: Distribution Network improvements for nonrevenue water reduction and 24x7 supply in GVMC area; (iv) Package Andhra Pradesh Road Development Corporation (APRDC)/01: Upgrading and Rehabilitation of 'Samarlkota to Rajanagaram' Section of 'Kakinada – Rajanagaram' Road to '2 Lane Dual Carriageway Standard; (v) Package Andhra Pradesh Power Transmission Corporation of Andhra Pradesh (APTransco)/01: Augmenting power distribution capacity for meeting Industry demand at Kapuleppada, Oszone Valley, Nakkapalle/ Chandanada and Achutapuram locations; and (vi) APTransco/02: Augmenting power distribution capacity for meeting Industry demand at Rachagunneri, Naidupeta and Yerpedu locations. All Tranche 1 subprojects are to be implemented in four years, from 2016 to 2019.

3. The State of Andhra Pradesh acting through its Department of Industries (DoI) will be the executing agency. The Directorate of Industries within the DoI will be responsible for the daily coordination and execution of both the Program as well as the MFF. A program management unit, established in the DoI, will be responsible for planning, implementation, monitoring and supervision, and coordination of all activities under the Program and the MFF. Project implementation units (PIUs) will be established in APIIC, APRDC, APTransco, and GVMC, and will be responsible for implementing the MFF.

### **B. Scope of this report**

4. This land acquisition and resettlement due diligence report (DDR) is prepared for the proposed tranche 1 package APIIC/03, under which construction of internal infrastructure in Naidupeta industrial cluster is proposed under VCICDP.

5. A due diligence process was conducted to examine land acquisition and resettlement issues in detail, in line with Asian Development Bank's (ADB's) Safeguard Policy Statement, 2009. This report describes the findings and provides copies of available documents and photographs. This land acquisition and resettlement due diligence report needs to be read along with the Resettlement Framework prepared for VCICDP.

6. Upon project implementation, the Safeguard Manager, Social and Gender in the APIIC PIU will be required to undertake a review of this due diligence, prepare a confirmation letter or report documenting any modifications for the subproject and submit to the Safeguard Officer in the program management unit and ADB. A 'no objection' confirmation is required from ADB prior to start of construction in the subproject.

## **II. SUBPROJECT DESCRIPTION**

### **A. Proposed components**

7. Subproject components (civil works) proposed under the package APIIC/03 include upgrading of internal infrastructure in Naidupeta industrial cluster, which falls in the Yerepedu Kalahasti node. There are many operating units in the Industrial Park, Naidupeta and upcoming units in MPSEZ Naidupeta. The MPSEZ is a new development requiring all major internal infrastructure components to be constructed. Components proposed under the subproject include internal road network, storm drains, power transmission and communication lines, internal water distribution pipelines, and a one-stop centre. These internal infrastructure and facilities proposed in Naidupeta will not only provide enhanced services to the existing manufacturing units but are also anticipated to attract several new units to these areas.

## **III. FIELD WORK AND CONSULTATION**

### **A. Outline of field work**

8. Field inspection of proposed subproject facility locations was undertaken in October 2015. These included field visit to the identified sites and consultations with APIIC as the key stakeholder.

### **B. Consultation**

9. Discussions with the key stakeholder, APIIC, revealed that all the land requirement for various subproject components, is fulfilled by government land, owned by APIIC. The sites / alignments for all proposed internal infrastructure fall within the designated industrial park zone of APIIC and had been acquired by APIIC with the intention of setting up an industrial cluster and not in anticipation of ADB funding. APIIC has confirmed that there are no legacy issues on involuntary resettlement for the subproject.

10. Field visits were made to the proposed sites/alignments, which were found to be vacant, unused sites within the boundary of Naidupeta industrial cluster. The field visits/reconnaissance surveys and discussions with APIIC helped establish that there was no need for further surveys / inventories of loss of assets to be prepared.

## **IV. LAND AVAILABILITY AND RESETTLEMENT IMPACTS**

### **A. Findings**

11. The total land in the Naidupeta industrial clusters under APIIC's possession is 4,556.84 acres. Appendix 2 presents APIIC's land possession certificate for its lands in Naidupeta. Components proposed under the subproject include internal road network, storm drains, power transmission and communication lines and internal water distribution pipelines and a one-stop service centre. Sites of 1 acre each required for the 4 proposed power substations is available

within the bounds of APIIC Naidupeta industrial clusters, and all four sites are vacant, unoccupied and unused. A site of 2.05 acres has been identified for the proposed one-stop service centre building within the APIIC industrial zone in Naidupeta, which will have a built-up area of 1640 sq m; this site is vacant and unused as well. Table 1 presents available details of proposed facilities under VCICDP APIIC 03 package in Naidupeta. All internal infrastructure and facilities are proposed within the bounds of the lands in possession of APIIC in the Naidupeta industrial clusters. Since all proposed facilities are proposed on vacant, unused APIIC lands that had already been acquired for the purpose of setting up industrial clusters, industrial parks and SEZs, no involuntary resettlement or indigenous impacts due to the proposals is anticipated. Appendix 3 presents APIIC's certification stating the chronology of land acquisition at Naidupeta; the certification reveals that land acquisition for Naidupeta industrial clusters was not in anticipation of ADB funding.

**Table 1: Details of Proposed Facilities under the Subproject Package APIIC/03 in Naidupeta**

S No	Components	Nos.	Dia (mm)	Capacity (ML/cum/hr)	Length (m/km)	Area (land required for facility)
1	Road network				42.255	
	In MPSEZ				20.09 km	
	In IP – Naidupeta				14.925	
	In IP –Attivaram				7.24 km	
2	Drain network				93.847	
	In MPSEZ				47.449	
	In IP – Naidupeta				32.64 km	
	In IP –Attivaram				13.758	
3	Power Supply					
	MPSEZ					
	33 kV DC line on M+6 towers				8.7 km	
	33 kV single line on M+6 towers				3.2 km	
	11 kV DC line on spun poles				15.1 km	
	11 kV double line on M+6 towers				11.9 km	
	Substations	3		2x8 MVA		1 acre
	IP – Naidupeta					
	33 kV DC line on M+6 towers				4.9 km	
	11 kV DC line on spun poles				14.1 km	
	Substations	2		2x8 MVA		1 acre
4	Water Supply					
	MPSEZ					
	Distribution Network					
	110mm HDPE				17.8 km	
	160mm HDPE				3.1 km	
	225mm HDPE				3 km	
	250mm DI class K7				1.7 km	
	300mm DI class K7				2.4 km	
	IP-Naidupeta					
	OHSR	1		2000 kL		

S No	Components	Nos.	Dia (mm)	Capacity (ML/cum/hr)	Length (m/km)	Area (land required for facility)
	110mm HDPE				22.4 km	
	160mm HDPE				1.5 km	
	180mm HDPE				1.3 km	
	300mm DI class K7				0.13 km	
	400mm DI class K7				2.03 km	
	IP-Attivaram					
	OHSR	1		500 kL		
	110mm HDPE				10.3 km	
	160mm HDPE				0.15 km	
5	One Stop Service Centre (BUA 1640					2.05 acres

**Figure 1A: Google Earth Maps showing boundaries of APIIC Industrial Clusters, Attivaram and Naidupeta**





Figure 1B

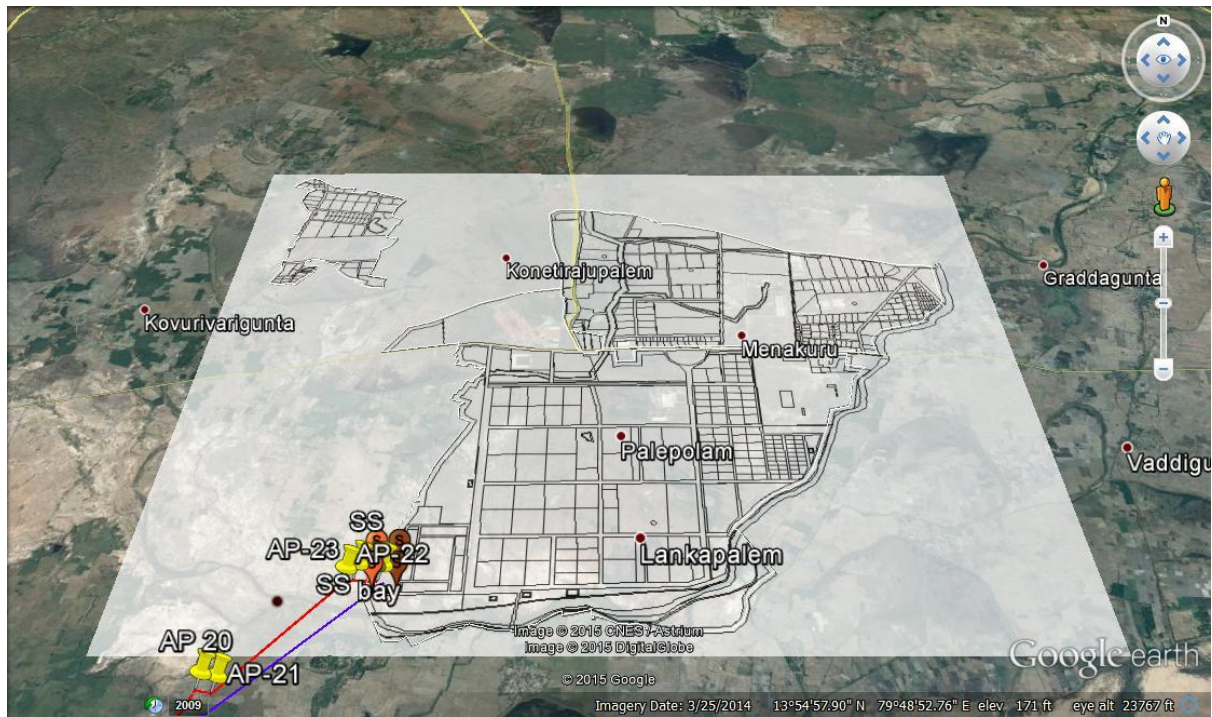
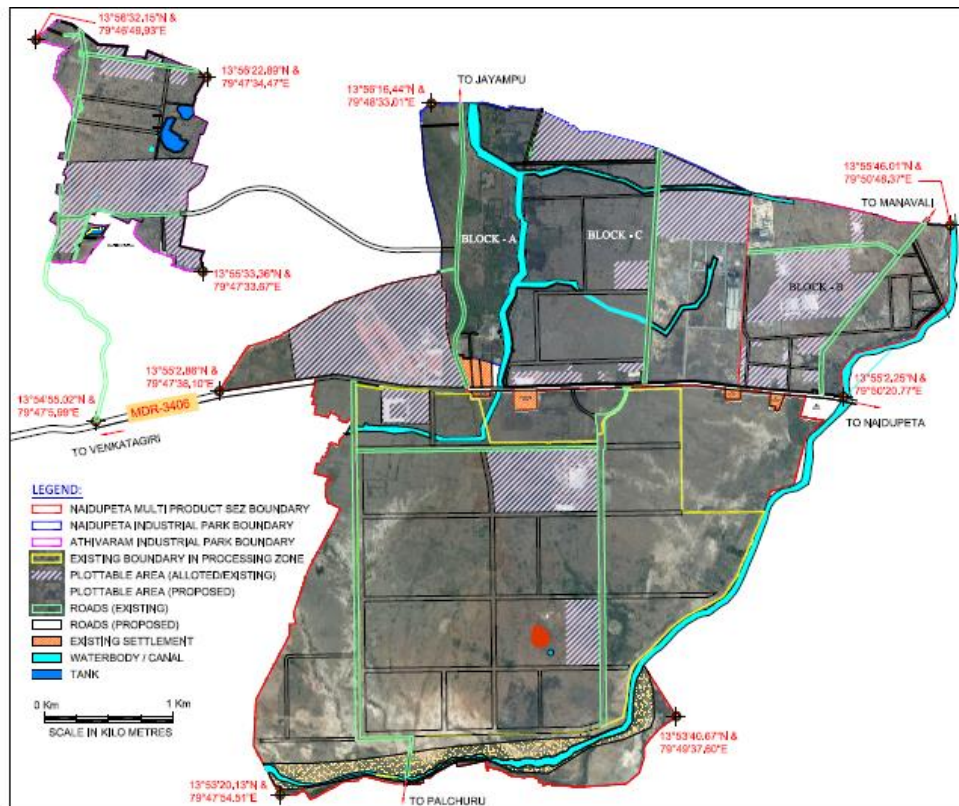


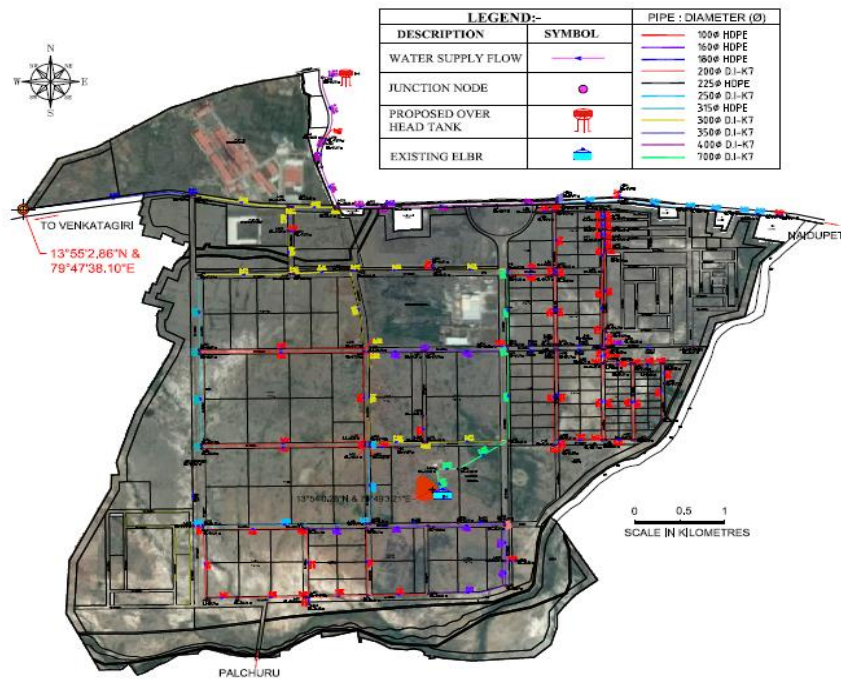
Figure 1C



**Figure 2A: Google Earth Map showing proposed internal infrastructure (water supply) in Attivaram (part of Naidupeta Industrial Clusters)**

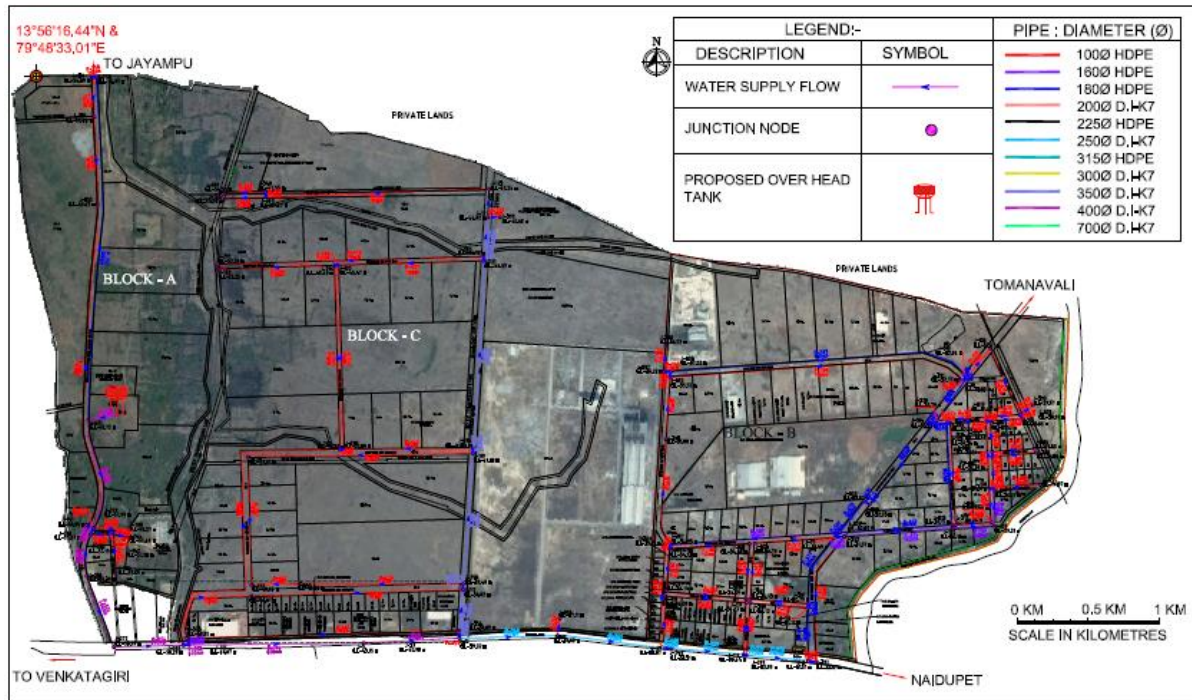


**Figure 2B: Google Earth Map showing proposed internal infrastructure (water supply) in Naidupeta**

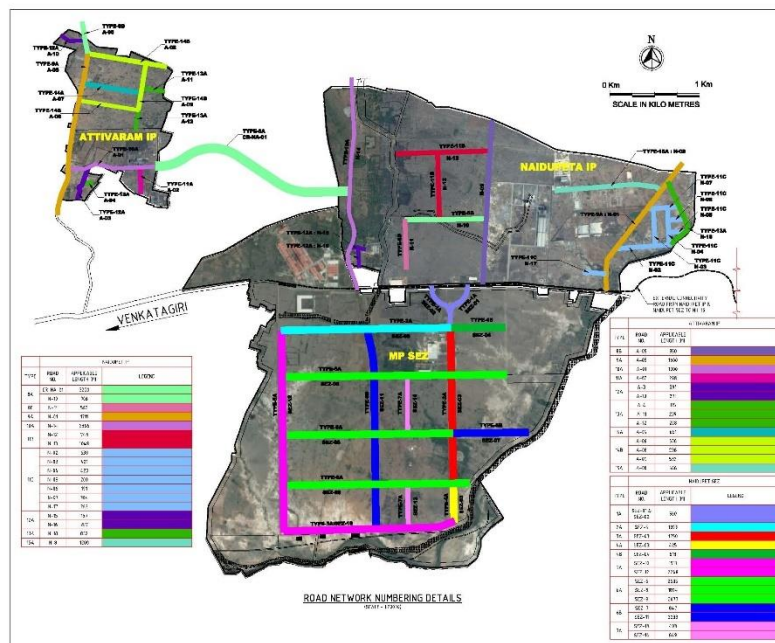




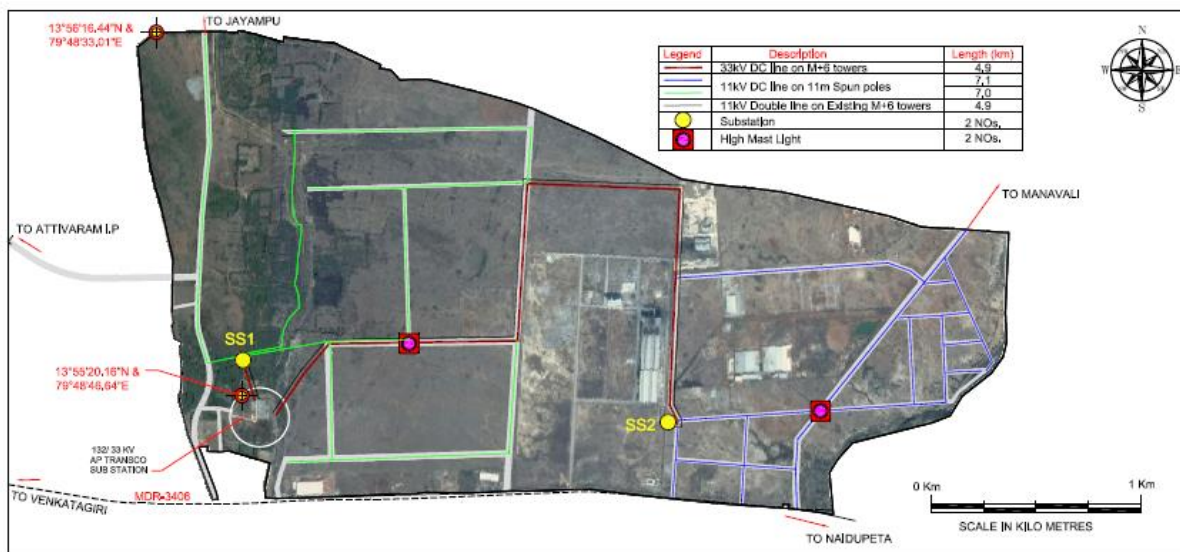
**Figure 2C: Google Earth Map showing proposed internal infrastructure (water supply) in Naidupeta**



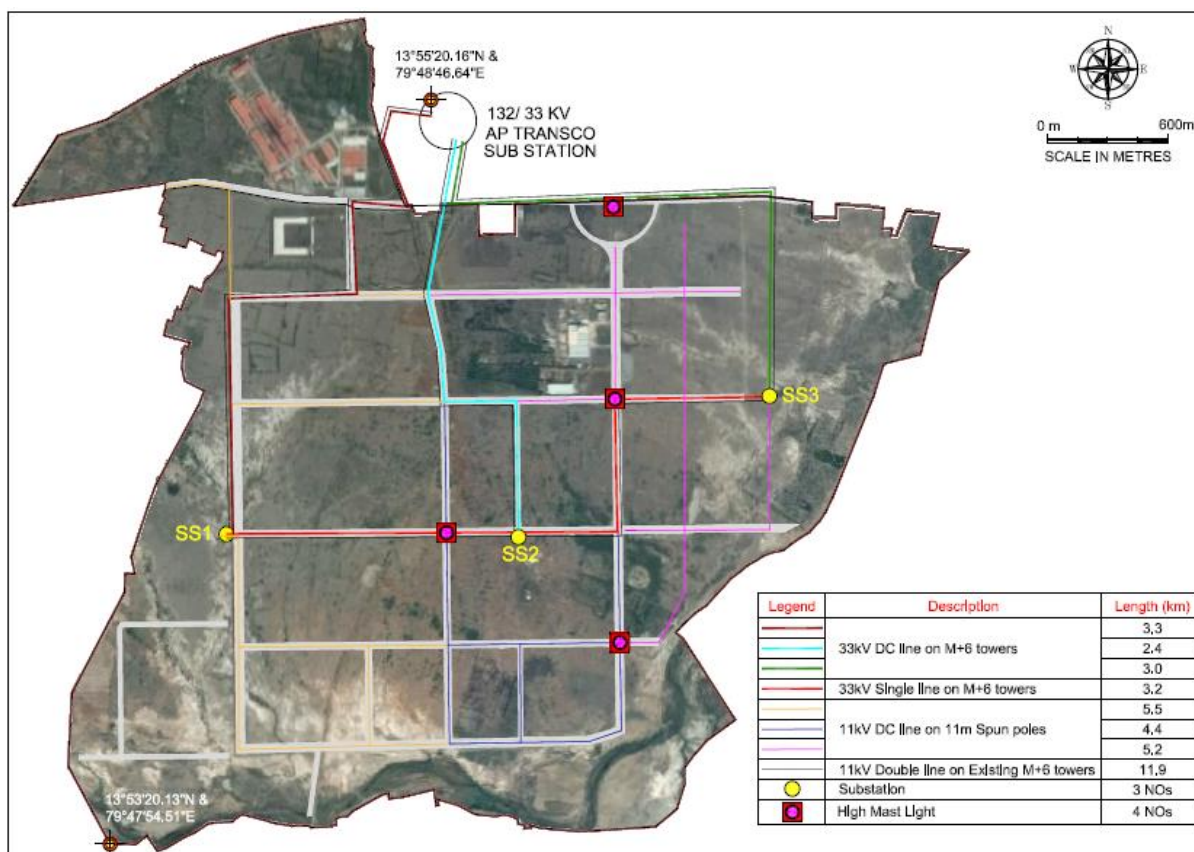
**Figure 3: Google Earth Map showing proposed internal infrastructure (roads) in Naidupeta**



**Figure 4A: Google Earth Map showing proposed internal infrastructure (power) in Naidupeta**



**Figure 4B: Google Earth Map showing proposed internal infrastructure (power)**



**Figure 5: Google Earth Map showing proposed One Stop Service Centre Location in Naidupeta**



## V. CONCLUSIONS

### A. Summary and Conclusions

12. No involuntary resettlement impacts are assessed at identified sites or proposed alignments for sub-project components pertaining to internal infrastructure including roads, power and water supply, as well as construction of the proposed one-stop centre, which are all proposed within the designated compounds of the APIIC Naidupeta industrial cluster.

### B. Next Steps

13. This DDR needs to be updated by the APIIC PIU with the following information, prior to implementation:

- (i) Area of land required for proposed overhead service reservoirs in Table 1.
- (ii) Photographs of the locations of each of the proposed facility sites (power substations, water reservoirs, one-stop centre etc.) and alignments (roads, power and water supply) for internal infrastructure

14. The updated DDR needs to be approved by ADB prior to implementation of works.



## PHOTOGRAPHS



**Existing power substation in Naidupeta**



### Available vacant land in Naidupeta



**Main road, Naidupeta**



### Available vacant land in Naidupeta Industrial Park and Boundary Stones



### Roads and vacant lands in Naidupeta



### Vacant APIIC lands in Naidupeta

## LAND POSSESSION CERTIFICATE

**The following extent of land are in possession of APIIC  
(Village wise extent in Acres)**

**Multi Product SEZ - Naidupeta**

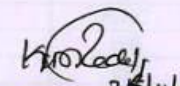
Sl.No	Village Name	Extent (Acs)		Total (Acs)
		Govt.	Patta	
1	Dwarakapuram	154.20	421.87	576.07
2	Pale Palem	324.66	59.42	384.08
3	Menakur	212.49	116.07	328.56
4	Koneti Raju Palem	83.62	21.97	105.59
5	Palachuru	1094.58	60.69	1155.27
<b>Total</b>		<b>1869.55</b>	<b>680.02</b>	<b>2549.57</b>

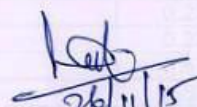
**Industrial Park - Naidupeta**

Sl.No	Village Name	Extent (Acs)		Total (Acs)
		Govt.	Patta	
1	Menakur	756.67	425.94	1182.61
2	Koneti Raju Palem	176.81	241.59	418.40
<b>Total</b>		<b>933.48</b>	<b>667.53</b>	<b>1601.01</b>

**Industrial Park - Attivaram**

Sl.No	Village Name	Extent (Acs)		Total (Acs)
		Govt.	Patta	
1	IP-Attivaram	329.22	77.04	406.26

  
**Dy. ZONAL MANAGER (ENGG.)**  
**A.P.I.C. LTD., NELLORE.**

  
**ZONAL MANAGER**  
**APIIC - LTD, NELLORE.**

NOTE: Supporting documents (copies of land possession certificates) are available in APIIC office.

## APIIC CERTIFICATION ON CHRONOLOGY OF LAND ACQUISITION FOR APIIC LANDS AT NAIDUPETA



V.NAGESWARA RAO  
ZONAL MANAGER

Andhra Pradesh  
Industrial Infrastructure Corporation Ltd.  
(A Govt. of Andhra Pradesh Undertaking)  
www.apiic.in

Lr.No.ZO/APIIC/NLR/DB/VCIC/2015-16,

Dt.12-02-2016

To  
The Chief Engineer-I  
APIIC Limited,  
Hyderabad.

Sir,

Sub: - ZO-APIIC-NLR- Vizag – Chennai Industrial Corridor (VCIC) –  
Infrastructure Upgradation for Naidupet Cluster – Land  
Acquisition Details – Submitted – Reg.

Ref: - VCIC-Land acquisition details, vide Mail Dt.11-02-2016.

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With reference to the above subject cited, the chronology of  
Land Acquisition for “Naidupeta Cluster” is submitted as below.

LAND ACQUISITION			
Sl.No.	Name of IP	Year	Total Extent Acquired (Acres)
1	IP-Naidupet	2006-07	562.93
		2007-08	1037.72
			<b>1600.65</b>
2	MPSEZ-Naidupet	2006-07	1967.42
		2007-08	582.37
			<b>2549.79</b>
3	IP-Attivaram	2008-09	406.26
			<b>406.26</b>

Yours faithfully

  
 ZONAL MANAGER  
 12/02/16