

Project Summary Information (PSI)

Project No: 000063

Project Name	Andhra Pradesh Rural Roads Project
Country	Republic of India
Sector	Transport
Project No	000063
Borrower	Republic of India
Implementation Agency	Panchayat Raj Engineering Department (PRED), Government of Andhra Pradesh
Environmental and Social Category	B
Date of PSI prepared or updated	April 10, 2018
Estimated Date of Board Consideration	September 2018
Concept Decision	Approved on April 6, 2018

I. Introduction

India is a lower-middle-income country, with a population of 1.3 billion accounting for 17% of the world's population.¹ India is also the world's third largest economy based on gross domestic product (GDP)² measured in Purchasing Power Parity terms. The recent growth record of the Indian economy has been impressive with an average growth of around 7% per year in the past few years.

Despite India's impressive growth, around 21% of India's population live below the poverty threshold of USD1.90 per day³ with 80% of India's poor living in rural areas⁴. The lack of rural infrastructure is a contributor to rural poverty and constraints on growth. An estimated 35% of inhabited areas in India are without all-weather road access. Inadequate road connectivity has been an obstacle to economic growth in the rural areas of India. This constrains economic activities in rural areas and prevents the rural population, which constitutes the majority of India's poor, from being fully integrated into the economy and from accessing essential services.

Development of a rural roads network, therefore, is one of the key priorities of the Government of India (GoI). A document entitled 'Rural Road Development Plan: Vision 2025' released by the Ministry of Rural Development, GoI, states that "rural roads are a key component of rural development since they provide access to economic and social goods and services thereby generating increased agricultural income and productive employment opportunity in rural areas". To address this problem, GoI established in 2000, the Prime Minister's national level Rural Roads Program (PMGSY⁵) to provide all-weather road connectivity to unserved habitations⁶ in India's rural areas.

The former state of Andhra Pradesh was bifurcated into Telangana and Andhra Pradesh (A.P) states in June 2014. A.P, which is situated on the south-eastern coast of India, is the eighth largest state in terms of area (162,970 km²) and the tenth most populous, with a population of around 50 million. With almost 70% of the state's population living in rural areas,⁷ rural connectivity and its consequent socio-economic development will be key to lift people out of poverty.

¹ Department of Economic and Social Affairs, Population Division, United Nations

² World Development Indicators database, World Bank, December 2017

³ Poverty and Equity Data, World Bank

⁴ India's poverty profile, World Bank

⁵ PMGSY is Pradhan Mantri Gram Sadak Yojana (which translates to Prime Minister's Rural Roads Scheme) that was launched by the Government of India to provide nationwide all weather rural roads connectivity to connect habitations with population of 500 or more in plains and population of 250 or more in hilly, tribal and desert areas

⁶ Habitation is a cluster of population living in an area. 2-3 habitations form a village.

⁷ Census Organization of India

A.P Road Network. A.P has about 133,000 km of roads. The road network is broadly divided into three categories as (i) Primary Roads comprising National Highways, (ii) Secondary Roads comprising State Highways and Major District Roads, and (iii) Rural Roads comprising Other District Roads and Village Roads. The rural road network constitutes around 60% of the total road network. Under the PMGSY, the target was to construct around 14,564 km of rural roads, connecting about 1,309 habitations with populations above 500 people in the plains, and above 250 people in hilly and tribal areas. As of March 2017, around 90% of PMGSY targets had been achieved in A.P, with only a few targeted habitations remaining to be connected.

The PMGSY, however, does not provide coverage for all the rural habitations in A.P. Out of the 47,745 habitations in A.P, around 10,605 habitations will remain unconnected after the completion of PMGSY program and other state level programs that are ongoing. The Government of A.P (GoAP), therefore, has decided to launch the A.P rural roads project as a supplement to the PMGSY to connect those habitations not covered under PMGSY. The proposed Bank financing would connect some 3,300 habitations with a population of more than 250 people, benefitting around 2 million people.

II. Project Objective and Expected Results

The project objective is to improve road transport connectivity in previously unserved communities by providing all weather rural roads in all 13 districts of the state of Andhra Pradesh.

III. Project Description

The project consists of the following components:

Component 1: Construction of new connectivity consisting of

- (i) Construction of about 3,000 km of bitumen paved roads in the locations with soft soil;
- (ii) Construction of about 2,500 km of cement concrete paved roads, in the locations with hard soil; and
- (iii) Construction of about 60 bridges and hydraulic structures (culverts) to increase connectivity of the roads during the monsoon season.

Component 2: Technical Assistance consisting of

- (i) Engagement of a Project Management Consultant (PMC) company (and individual consultants, as needed) to assist in managing the Project, including planning, implementation supervision, monitoring and reporting progress of the project to PRED and to the Bank;
- (ii) A pilot project using modern technology, i.e. using drones to monitor construction of roads, covering a limited geographical area;
- (iii) Development of a digitized map of A.P's rural roads network and connection to a geographic information system (GIS) for real-time communication, which will be used to provide real time updates of the works progress during construction and post contract phase; and
- (iv) Institutional development and capacity building of PRED through trainings, workshops and study tours in overseas locations in the areas of transport planning and management, contract law and contract models, economic analysis and environmental engineering.

IV. Environmental and Social

The Project has been assigned **Category “B”** in accordance with the Bank’s Environmental and Social Policy (ESP) and Environmental and Social Standards (ESS). The anticipated environmental and social risks and impacts of the Project are limited, temporary in nature and reversible. As required by the Bank’s ESP for Category ‘B’ projects, an Environmental and Social Management Framework (ESMF), which provides for the use of Environmental and Social Management Plans (ESMPs), will be developed. ESS 1 (Environmental and Social Assessment and Management) is applicable for assessment of environmental and social impacts of Project construction activities. ESS 2 (Involuntary Resettlement) is not applicable, since it is anticipated that there will be no land acquisition and no displacement of people. ESS 3 (Indigenous Peoples) is applicable since some of the roads will be constructed in districts where Scheduled Tribes⁸ are living. A Tribal Population Planning Framework (TPPF) will be prepared to address special approaches to Project planning and management in areas inhabited by Scheduled Tribes.

V. Estimated Project Cost and Financing Source

The Project cost is estimated to be USD 650 million. The financing sources are as follows:

For Loans/Credits/Others	Amount in USD million
AIIB Loan	455
Government of Andhra Pradesh	195
Total	650

VI. Implementation

The project will be implemented by Panchayat Raj Engineering Department (PRED), Government of Andhra Pradesh.

All procurement will be conducted in accordance with the Bank’s Procurement Policy and Interim Operational Directive: Procurement Instructions for Recipients

Proposed project implementation period: June 2018 – May 2022.

Contact Point

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⁸ The Scheduled Tribes are one of the officially designated groups of historically disadvantaged Indigenous Peoples. The term Scheduled Tribe is recognized in the Constitution of India

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Implementation Agency

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