

 Early Warning System

WB-P507508

Amaravati Integrated Urban Development Program



Quick Facts

Countries	India
Specific Location	Amaravati, Andhra Pradesh
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2024-12-19
Borrower	Department of Economic Affairs, Government of India
Sectors	Infrastructure
Potential Rights Impacts	Healthy Environment, Housing & Property, Labor & Livelihood
Investment Type(s)	Loan
Investment Amount (USD)	\$ 799.98 million
Loan Amount (USD)	\$ 800.00 million
Project Cost (USD)	\$ 1,800.00 million



Project Description

According to World Bank, the objective of this project is to strengthen the institutional framework and infrastructure planning and delivery for inclusive and sustainable urban growth in Amaravati.

The World Bank was initially engaged in the development of Amaravati through the 'Amaravati Sustainable Infrastructure and Institutional Development Project (ASIIDP) (P159808)' during 2016–18. It was a Category A Investment Project Financing (IPF) project with investment support for subprojects related to city roads, flood mitigation, sewerage management, and SWM. However, the project was dropped in 2019 after the Government of India (GoI) requested for this given the change in the Government of Andhra Pradesh' priority and due to complaints filed by farmers to the Inspection Panel.

The proposed Program for Results based investment will support selected activities of the Government's program that conform to the World Bank's PforR policy and the relevant policies of the ADB. The Program supports three results areas (RAs). The eligible activities are summarized as below, grouped by the three RAs, with a total cost of INR 15,000 crores (approximately US\$1.8 billion).

RA1: Strengthened Governance and Financing Frameworks. This RA aims at helping APCRDA set up an inclusive, accountable and effective city governance structure that will be able to evolve as the city itself grows. It also involves setting up frameworks for sustainable financing of infrastructure and services, including leveraging private sector partnerships and mobilizing market-based financing. Proposed interventions under this RA include strengthening the metropolitan planning functions of the APCRDA, establishing an urban local body and service delivery modalities for the Amaravati Capital Region, as well as rolling-out of a land-based financing strategy to mobilize capital financing for development. Finally, this RA also strengthens the institutional capacity of the APCRDA and the ADCL for environment, social management and contract management.

RA2: Inclusive Economic Growth and Social Development. This RA aims at catalyzing robust economic growth and inclusive and equitable social development, thus prioritizing livelihood enhancement of existing communities and ensuring long-term vibrancy of the Capital City and its communities. Proposed interventions include technical assistance to help APCRDA attract businesses and investments that generate economic activity and jobs; skilling programs for existing and incoming residents of the area to take advantage of these activities with a focus on women and youth; increasing access to affordable housing; as well as encouraging citizen engagement and participation in neighborhood planning, community development, and public space maintenance in the new city.

RA3: Sustainable Infrastructure and Service Delivery. This RA supports developing green and resilient trunk infrastructure for the city and neighborhood infrastructure for the LPS neighborhoods in an integrated manner, followed on with effective and sustainable service delivery. The proposed activities focus on the design, construction, and operation of these infrastructure investments, including construction of roads and streets with utility corridors for water supply, stormwater drainage, wastewater treatment, power and ICT, and solid waste management; construction of flood mitigation civil works and rehabilitation of the blue green infrastructure system such as retention ponds, water channels and parks, including nature-based solutions wherever feasible; establishment of public transport system including the procurement and operation of e-buses; establishment of a digital infrastructure with the adoption of digital technologies and innovative methods for improved city management, development approval and service delivery.

The legal framework for E&S systems in Amaravati is governed by the APCRDA Act, 2014, which regulates the city's planning and development. Key environmental regulations, such as the Environmental Impact Assessment (EIA) Notification 2006, require projects to obtain EC. As a Category B1 project, Amaravati mandates both an EIA and an EMP, with the EC secured in 2015 and valid until 2026, with potential extensions.

The Program will exclude high risk activities that conflict with the World Bank's PforR financing policy, specifically those with



People Affected By This Project

- The activities under this project will require extensive construction, which could result in negative environmental impacts such as water pollution, air quality deterioration from dust and emissions, poor construction waste management, soil contamination, landscape alterations, increased traffic, construction-related disturbances, and occupational health and safety risks for workers and local communities.
- As of September 2024, 34,389.79 acres (90.6 percent) have been pooled through the Land pooling system (LPS) for the entire Capital City in exchange for serviced residential and commercial plots and other safety net benefits from 28,740 farmers. Most of this land collation occurred between 2016 and 2019 and now only 3,551.79 acres remains to be pooled for the entire city. For Phase 1 activities which will form a part of the Bank-financed Program, around 1 percent (224.45 acres) of the 20,420 acres required is yet to be pooled or acquired.
- During the preparation of the ASIIDP in 2016-17, the World Bank's Inspection Panel received two Requests for Investigation from complainants regarding the impacts of the LPS, on their livelihoods, environment and food security, and claiming inadequate consultation as a result of the Bank's non-compliance with its policies in the preparation of the project at that time.



Investment Description

- World Bank (WB)

World Bank: USD 800 million

ADB: USD 800 million

Government of India: USD 185 million



Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: <https://www.inspectionpanel.org/how-to-file-complaint>



Bank Documents

- [Draft Environmental and Social Systems Assessment](#) [Original Source]
- [Final Environmental and Social Systems Assessment](#) [Original Source]
- [Inspection Panel Final Report on Amaravati Project 2019](#) [Original Source]
- [Project Information Document](#) [Original Source]

Campaign Documents

- [WG on IFIs: Inspection Panel's Report Validates Issues Raised by CSOs](#)

Media

- [Land Conflict Watch-Farmers Allege Forcible Takeover of Land for Pooling for Amravati Capital Projec](#)



Other Related Projects

- ADB-58395-001 India : Amaravati Inclusive and Sustainable Capital City Development Program