

Project Summary Information (PSI)

Project No.: 000019

Project Name	Amaravati Sustainable Capital City Development Project
Country	Republic of India
Sector	Urban Infrastructure
Project No.	000019
Borrower	Republic of India
Implementing Agency	Andhra Pradesh Capital Region Development Authority (APCRDA)
Environmental and Social Category	Category A
Date of PSI prepared or updated	29 August 2017
Estimated Date of Board Consideration	March 2018
Concept Decision	Approved

I. Introduction

Amaravati as the new capital city of Andhra Pradesh (AP) is envisioned to be a pioneer smart city of India. It is planned to serve as an economic powerhouse and administrative center by creating jobs and providing affordable homes to its residents as well as high quality urban services. Being a greenfield project, sustainability and efficient management of resources will form another important pillar of the city that will be supported by maintaining the clean and green character.

The proposed Project is part of the overall city development program for Amaravati. It is focused on some basic infrastructure of the new city, such as main roads and drainages. It will serve to create jobs for existing resident villagers by upgrading their skills, as well as provide high-tech and knowledge based industry jobs to be globally competitive. The city's positioning as an economic powerhouse will structurally move economic activities in the region towards more knowledge driven trades.

The Project is well aligned with the Bank's primary mandate to (i) foster sustainable economic development and create wealth in Asia by investing in infrastructure, and (ii) promote cooperation and partnership by working in close collaboration with other multilateral development institutions such as the World Bank.

The World Bank will be the lead co-financier of the Project and will administer AIIB's loan on behalf of AIIB including procurement, disbursements, environmental and social compliance, and project monitoring and reporting. For further Project details, please see the following World Bank website:

<http://projects.worldbank.org/P159808?lang=en>

II. Project Objectives and Expected Results

The development objective of the Project is to build sustainable urban services and capacity of urban institutions for the development of Amaravati Capital City.

The proposed key results indicators for the Project include: (i) the number of people (differentiated between male and female) that benefited from improved urban services; (ii) people and businesses having access to all season roads within a 500-meter range; and (iii) coverage of sanitation services (solid waste and wastewater). The results indicators will be finalized during Project appraisal.

III. Project Description

The Project will help to implement the Amaravati master-plan through pro-poor interventions and the implementation of priority infrastructure, so as to lay the foundations for the phased development of the new capital city. All infrastructure under the Project will be located on identified land parcels/stretches within the city. Accordingly, the Project's design proposes three main components as follows:

1. Basic urban and pro-poor infrastructure
 - Construction of major road infrastructure (65 km road length); and
 - Upgrading of village infrastructure, including water, sewerage, village roads, connectivity to trunk infrastructure, etc. in the existing 29 villages within the capital area.
2. Green / Climate resilient urban investments
 - Flood mitigation for the 'Kondaveeti Vagu' water canal within the city area; and
 - Sewerage system and solid waste management system for Amaravati.
3. Technical assistance
 - Support for Project management;
 - Setting up key urban institutions, including the eventual city government of Amaravati; and
 - Introducing international good practice on city management.

IV. Environmental and Social Category

The Bank has decided to use the World Bank's Environmental and Social Safeguard Policies (Safeguard Policies) since (i) they are consistent with the Bank's Articles of Agreement and materially consistent with the provisions of the Bank's Environmental and Social Policy and relevant Environmental and Social Standards; and (ii) the monitoring procedures that the World Bank has in place to ascertain compliance with its Safeguard Policies are appropriate for the Project. Under the Bank's Environmental and Social Policy, the Project has been assigned Category A.

The AIIB and the World Bank conducted a joint mission wherein the environmental and social due diligence was conducted. The environmental and social risks and impacts are significant as the Project involves substantial land acquisition and development of urban infrastructure, which includes roads, flood mitigation measures, sewerage and solid waste management systems. Environmental and Social Impact Assessments (ESIAs), including Environmental and Social Management Plans (ESMPs) and other related documents will be developed for every Project component before they are implemented.

The Project will be implemented in the 217 sq. km of land mobilized from landowners from 29 villages within the site, but no displacement of population has been envisaged under the Project. The APCRDA has developed a Resettlement Policy Framework in relation to land acquisition for the proposed Project, which is being reviewed by the World Bank. The APCRDA also conducted a Strategic Environmental and Social Assessment (SESA) / Environmental and Social Management Framework (ESMF), and discussed the findings in a stakeholder workshop. After incorporating feedback from the stakeholders, the draft SESA/ESMF has been disclosed on APCRDA's website. The World Bank is reviewing this document for finalization. Once finalized, the SESA/ESMF will be appropriately disclosed on the World Bank website.

V. Estimated Project Cost and Financing (in US\$ million)

Total Project Cost:	715	Total AIIB Financing:	200
Financing Gap:	0		
For Loans/Credits/Others			Amount
AIIB			200
World Bank			300
Government of Andhra Pradesh			215
Total			715

VI. Implementation

The two main implementing agencies will be the Andhra Pradesh Capital Region Development Authority (APCRDA) and the Amaravati Development Corporation (ADC), with APCRDA having overall responsibility for implementing the proposed Project.

Procurement will be conducted in accordance with the World Bank's Procurement Regulations for Borrowers under the New Procurement Framework.

Expected project implementation period (Start Date and End Date): Mar. 2018 – Mar. 2025

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