MANAGEMENT RESPONSE TO
REQUEST FOR INSPECTION PANEL REVIEW OF THE
INDIA: PROPOSED AMARAVATI SUSTAINABLE CAPITAL CITY
DEVELOPMENT PROJECT (P159808)

Management has reviewed the Request for Inspection of the India: Proposed Amaravati Sustainable Capital City Development Project (P159808), received in two parts by the Inspection Panel on May 25 and May 27, 2017, and registered on June 12, 2017 (RQ17/04). Management has prepared the following response.

JULY 21, 2017
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ABBREVIATIONS AND ACRONYMS

AIIB  Asian Infrastructure Investment Bank
AP    Andhra Pradesh
APCRDA Andhra Pradesh Capital Region Development Authority
ASCCDP Amaravati Sustainable Capital City Development Project
BP    Bank Procedure
EIA   Environmental Impact Assessment
EMP   Environmental Management Plan
ESMF  Environmental and Social Management Framework
ESMP  Environmental and Social Management Plan
IBRD  International Bank for Reconstruction and Development
ISDS  Integrated Safeguards Data Sheet
Km    Kilometer
LARR Act Land Acquisition, Rehabilitation and Resettlement Act
LP    Land Pooling
LPS   Land Pooling Scheme
OP    Operational Policy
PID   Project Information Document
RAP   Resettlement Action Plan
RPF   Resettlement Policy Framework
SESA  Strategic Environmental and Social Assessment
SIA   Social Impact Assessment

Currency Unit – Indian Rupee
(as of June 27, 2017)

USD 1 = INR 64.3860
INR 1 = USD 0.01550
EXECUTIVE SUMMARY

Inspection Panel Request and Background

i. The proposed India: Amaravati Sustainable Capital City Development Project (ASCCDP or Project) aims to support the development of a new capital city for the state of Andhra Pradesh, Amaravati City. Specifically, the proposed Project would finance selected new infrastructure, upgrade existing village infrastructure, enhance climate resilience by improving flood mitigation, and build urban governance capacity to benefit current and future residents of selected areas within Amaravati City through improved urban services. In addition, current institutions, such as the implementing agency, as well as the institutions to be set up under the new Amaravati City government, would benefit from institutional development activities and technical assistance under the proposed Project.

ii. Land for Amaravati City is being acquired by the Government of Andhra Pradesh through land pooling, negotiated settlements, or eminent domain. The majority (about 86 percent) of the land required for Amaravati City has been acquired through a Land Pooling Scheme (LPS), under which agricultural land is assembled from participating landowners, who transfer their land to the City, and subsequently receive in return smaller, but serviced and urbanized plots.

iii. Given the significant urban development challenges facing India, the proposed Project could be an important step to develop and apply this innovative land use planning instrument in the Bank’s engagement in the country. Land pooling has been successfully used elsewhere in India, Nepal and other countries (e.g., Australia, Canada, Europe, Japan, Korea, United States).

iv. The proposed Project is in the process of preparation and has not yet been appraised, nor have safeguard instruments been finalized. The next step in the project cycle is the Decision Meeting, at which point Management will review the proposed Project scope and design and determine whether to authorize appraisal. This Decision Meeting is expected to be held later in 2017.

v. The Requesters allege harm from the acquisition of land for the proposed new capital through the LPS and other means, and from activities related to the proposed Project. In their Request for Inspection, the Requesters note that they have not joined the LPS. The Requesters allege that they are being coerced into joining the LPS, and that land acquisition under either the LPS or under negotiated settlement and eminent domain would cause them harm related to their livelihoods, the environment, food security, resettlement and lack of consultation.

Management’s Response

vi. Management understands the concerns of the Requesters regarding compensation for land which is acquired for the development of Amaravati City. Management has carefully reviewed the allegations made by the Requesters and will ensure that any Bank support for the proposed Project complies with Bank policy. Management
vii. **Management will decide whether to move ahead with the proposed Project only after appropriate analysis of potential Project risks and impacts has been undertaken, and adequate mitigation measures to address them have been developed and consulted upon to the satisfaction of the Bank.** Before the Decision Meeting, Management commits to completing safeguard documents that have been appropriately consulted upon and include an analysis of the land acquisition process under the proposed Project, including the LPS, negotiated settlement and eminent domain; an assessment of the proposed Project investments within Amaravati City; and an assessment of the potential environmental and social risks and impacts and how these would be addressed under the proposed Project. Also before the Decision Meeting, Management will work with the Borrower to complete a plan for ongoing consultation, establish a robust project-level grievance redress mechanism and citizen advisory committee, as well as an enhanced communication strategy for the proposed Project and its safeguard aspects.

viii. **Management takes the Requesters’ claims of coercion very seriously and emphasizes that it does not condone any form of coercion.** Management has reached out to landowners specifically named in some of the coercion allegations, who have assured the Bank that they were not subjected to or aware of any coercion attempts. The Bank has increased its presence in Amaravati by expanding the number of visits to villages in the area to have more opportunities to consult with affected people and to gather more insight into the coercion allegations. Management is also in the process of hiring an independent party to carry out interviews and consultations in local villages to obtain additional information regarding this issue.

ix. **Going forward, Management will work with Government authorities, the implementing agency, and the communities to ensure a free and meaningful stakeholder engagement process.** Management will convey to the Government that proactive and open stakeholder engagement, free from coercion, is a prerequisite for Bank support for a project, and that Management expects stakeholder input to be considered in project design. Management will work with the implementing agency to put measures in place to facilitate such stakeholder engagement, including the citizen advisory committee and project-level grievance redress mechanism to receive and process stakeholder input and complaints during project preparation and implementation. The Bank will also work with local organizations that are trusted by the communities or with independent third-party monitors to gather views of stakeholders and to identify potential problems early in the process.

x. **Management remains committed to ensuring that potential impacts of the proposed Project on livelihoods, resettlement, environment and food security are appropriately assessed, and that any identified impacts are managed in accordance with Bank policy.** Management will confirm that the proposed Project complies with Bank policy before deciding whether to move forward with Bank support.

xi. **Management has made no decision yet whether to finance the proposed Project. Management notes that the proposed Project is still at an early stage of preparation and therefore substantive application of Bank policies and procedures has not yet taken place.** Management will decide whether to move ahead with the proposed Project only after
appropriate analysis of potential Project risks and impacts has been undertaken and adequate mitigation measures to address them have been developed and consulted upon to the satisfaction of the Bank.
I. INTRODUCTION

1. On May 25, 2017, the Panel received a Request for Inspection of the proposed India: Amaravati Sustainable Capital City Development Project (the Project). On May 27, 2017, the Panel received another communication in support of the Request. The two Requests were registered together as a single request on June 12, 2017 (RQ17/04).

2. Structure of the Text. The document contains the following sections: Section II presents the Request; Section III provides an overview of the proposed Project; Section IV contains Management’s response and Section V is the conclusion. Annex 1 presents the Requesters’ claims, together with Management’s detailed responses, in table format. Annex 2 contains a letter of support for the proposed Project, Annex 3 provides excerpts from a Supreme Court filing and decision, and Annex 4 includes examples of local media coverage of Project-related consultations.

II. THE REQUEST

3. The Request for Inspection (the Request) was submitted by landowners from the area known as Amaravati in Andhra Pradesh, India (the Requesters). The Requesters allege harm from the acquisition of land required for the proposed new Amaravati City, in particular from land acquisition through land pooling, and from other activities related to the proposed Project. The Requesters claim harm related to their livelihoods, the environment, food security, resettlement and lack of consultation resulting from the alleged non-compliance of the Bank with its environmental and social policies in preparation of the proposed Project. In their Request for Inspection, the Requesters note that they have not joined the land pooling scheme (LPS) that is a focus of the Request.

4. The Request included two annexes with the signatures of four Requesters and their statements, and additional references, including links to videos and an article. The Requesters asked that their identity remain confidential. In addition, there were 23 attachments of reports, media articles, and court documents related to the planned construction of Amaravati City:

- Attachment 1 Draft Perspective Plan - 2050 APCRDA - Public Notice;
- Attachment 2 APCRDA Public Notice 12.26.2015;
- Attachment 3 Capital Maps;
- Attachment 4 Amaravati Capital City;

1 On October 8, 2016, the Panel had received an initial Request for Inspection on the proposed Project. It issued a Notice of Non-Registration on December 19, 2016, on the basis that the proposed Project was in early stages of preparation and at the time there was no action or omission by the Bank that could plausibly be linked to the alleged harms.
5. The Requesters’ claims, accompanied by Management’s detailed responses, are provided in Annex 1.
III. THE PROJECT

6. **Context.** The Bank is currently preparing the proposed Project, following the request of the Government of India and the state of Andhra Pradesh (AP) in May 2016. The proposed Project would be financed by an IBRD loan of US$300 million, with co-financing through a US$200 million loan from the Asian Infrastructure Investment Bank (AIIB). The proposed Project would focus on supporting the development of selected infrastructure and provision of technical assistance in connection with the Government of AP’s ongoing development of a new capital, Amaravati City.

7. Amaravati City is being developed as the new capital following the bifurcation of the state of AP in 2014. The site for Amaravati City was strategically selected by the Government of AP in late 2014, based on the area’s historical significance and its economic potential, specifically a strong network of transport infrastructure, proximity to several major economic centers, good access to a skilled labor workforce and water to cater to a growing urban population. The development of Amaravati City is underway and some construction has commenced, including some roads for which retroactive financing may be sought under the proposed Project. A map of the planned capital city is included in Figure 1.

8. The Andhra Pradesh Capital Region Development Authority (APCRDA)\(^2\) — a newly created institution chaired by the Chief Minister of the state — has been charged with responsibility for planning and overseeing the development of Amaravati City. To establish the APCRDA, the Government of AP enacted the APCRDA Act in 2014, which also incorporated the LPS for land acquisition in development of the City. Subsequently, the APCRDA developed, with the support of the Government of Singapore, a Master Plan for Amaravati City covering 217 km\(^2\). This Master Plan was approved in February 2016. The Bank began preparation of the proposed Project in May 2016. Therefore, the choice of location for the City, the LPS, and the Master Plan all preceded Bank involvement.

\(^2\) APCRDA is also the implementing agency for the proposed Bank-financed Project.
9. The proposed Bank-financed Project is currently under preparation and is at the pre-appraisal stage. The next step in the project cycle is the Decision Meeting, when Management will review the proposed Project scope and design and decide whether to authorize appraisal. This Decision Meeting is expected to be held later in 2017.

10. The currently proposed objective of the Project is to finance selected new infrastructure, upgrade existing village infrastructure, enhance climate resilience by improving flood mitigation, and build urban governance capacity. Should the Bank decide to move ahead with the proposed Project, Bank-supported investments are expected to involve 5-10 percent of the total land area identified in the Master Plan for the development of Amaravati City. Current and future residents (at least 40 percent of whom would be women) of the selected areas within Amaravati City would benefit from the proposed Project through improved urban services, including city roads. In addition, current institutions such as APCRDA, as well as the institutions to be set up under the new Amaravati City government, would benefit from institutional development activities and technical assistance under the proposed Project.

11. Project Components. As currently envisaged, the proposed Project would have three components:

- Component 1: Basic Urban and Pro-Poor Infrastructure. The objective of this
component would be to support the construction of priority transport corridors, the upgrading of selected infrastructure of 24 villages and their integration into the development of Amaravati City. This component proposes to finance: (i) the construction of about 145 km of high-priority sub-arterial roads to facilitate internal connectivity as well as connectivity to the wider region, as part of the planned network of roads under the Amaravati Master Plan; and (ii) the upgrading of infrastructure in selected villages and their integration into the trunk infrastructure of Amaravati City. The infrastructure investments within villages would focus on upgrading water supply, sewerage, village roads, telecommunications, power, and drainage. To date, about 10 priority roads, which would amount to roughly 30 percent of the total proposed Project investments, have been identified for potential Bank support. These roads would require about 1,140 acres (less than 5 percent of total land required for the City). Of the land that would be required for the roads, 94 percent would come from the LPS, with the remaining 6 percent to be acquired through negotiated settlement or land acquisition using eminent domain. Expenditures incurred within one year prior to the expected loan signing date could be considered for retroactive financing, subject to satisfactory compliance with environmental and social safeguards.

• **Component 2: Green Climate Resilient Flood Mitigation.** The objective of this proposed component would be to build sustainable and climate resilient infrastructure in Amaravati City by supporting its integration with the natural surroundings, riverfront, and greenery. This component would finance: (i) flood mitigation works that include improving the carrying capacity of 26.5 km of the Kondaveeti Vagu River and its inflowing streams, including Erravagu, Kootella Vagu, Ayyannavagu and Palavagu; and (ii) strengthening of the Krishna River embankments and development of a green shield of trees along the river bank.

• **Component 3: Institutional Development.** The objective of this proposed component would be to provide advisory support for the institutional development of Amaravati City, and capacity building for efficient urban governance and sustainable service delivery. This component would finance support based on the following three pillars: (i) Institutional Development, including a sustainable governance framework, for utility companies, the Amaravati local government, and a metropolitan governance arrangement; (ii) Program and Project Management support, to plan, develop, implement and manage sustainable urban infrastructure; and (iii) Citizen Engagement and Benefit-Sharing, including an e-government platform; and a skill building program for landowners, their families and other stakeholders to seize economic opportunities created by the new city. Technical assistance under this Component would also support affordable housing.

12. **Environmental and social safeguards.** Given that the proposed Project would involve greenfield development of urban infrastructure, and that the proposed investments would involve substantial land acquisition and physical displacement, the proposed Project is categorized as Category A as per OP 4.01 (Environmental Assessment). The safeguard documents required for the proposed Project include: (i) a Strategic Environmental and Social Assessment – Environmental and Social Management Framework (SESA-ESMF);
(ii) a Resettlement Policy Framework (RPF); (iii) site-specific Environmental and Social Management Plans (ESMPs); and (iv) site-specific Resettlement Action Plans (RAPs).

13. As part of the Bank’s due diligence, a draft SESA-ESMF and draft RPF have been prepared by the APCRDA. The framework approach reflects the early stage of planning as the proposed Project is not yet fully defined. The Bank has reviewed both documents and provided comments. The Bank will decide on whether to move ahead with the proposed Project only after both documents have been finalized to the satisfaction of the Bank.

- The draft SESA-ESMF outlines the environmental and social policies and procedures that would be applicable to the proposed Project. It also describes the procedures to be followed when site-specific ESMPs would be developed and when mitigation measures for environmental and social impacts of the proposed Project would be designed.

- The draft RPF analyzes the compliance of the Government of AP’s approach to land acquisition through land pooling, negotiated settlements, and eminent domain with Bank policy, and identifies gaps and measures to address them. These measures would be implemented through site-specific RAPs. It also outlines the principles, objectives and processes to be followed for preparation of the site-specific RAPs, as and when investments are identified.

14. Where possible locations for infrastructure that could be supported by the Project have been identified, site-specific ESMPs and RAPs are under preparation and expected to be consulted upon and finalized later this year, prior to appraisal. Stakeholder feedback received during consultations would be integrated into the final documents.

15. If the Bank decides to move ahead with the proposed Project, Bank-supported investments would have to comply with site-specific RAPs, site-specific Environmental Impact Assessments (EIAs) and site-specific ESMPs, and would include a functional grievance redress mechanism (GRM).

16. The Government of AP has established a three-level GRM. Complainants can turn to a village’s land acquisition authority, the district’s Joint Collector, who is the Project Administrator, and the state’s Resettlement and Rehabilitation (R&R) Commissioner. A separate, project-level GRM will be established for the proposed Bank Project and will include independent members not associated with the proposed Project.

**Background: Land Acquisition Approach for Amaravati City and the Proposed Project**

17. India’s Land Acquisition, Rehabilitation and Resettlement Act of 2013 (LARR Act 2013) is recognized as among the most progressive land acquisition laws in the world. It allows state governments to formulate alternative state-specific laws and policies that may offer higher compensation, as well as better resettlement and rehabilitation benefits to people affected by land acquisition, relative to those that would be offered under the LARR Act 2013. People affected by land acquisition processes are entitled to choose their
compensation from either the LARR Act 2013, or from applicable state-specific laws and policies.

18. At the request of the Government of India, and outside of the context of the proposed Project, the Bank carried out a review of the LARR Act 2013 and found it to be largely consistent with its policy for involuntary resettlement. Gaps between the LARR Act 2013 and Bank policy have been identified regarding: (i) the valuation of structures with depreciated amount; (ii) cut-off date requirements for eligibility of certain categories of affected people such as those depending on the affected lands; and (iii) assistance to those affected using public lands (for example, squatters). The draft RPF addresses these gaps. For example, the draft RPF provides a mechanism to pay differential amounts by way of special assistance to landowners whose lands would be used for the proposed Project.

19. To develop Amaravati City according to the Master Plan, the Government of AP needs to acquire and assemble 217 km² of land. Land acquisition is governed by a legal framework consisting of the LARR Act 2013, the APCRDA Act 2014, and the Andhra Pradesh Government Order of April 2017. For compensation and mitigation of land acquisition impacts, landowners can choose between: (i) participation in the LPS; (ii) negotiated settlements; or (iii) land acquisition through eminent domain.

   (i) **Land pooling**, an innovative scheme whereby landowners voluntarily contribute their land in return for a smaller plot of urban, serviced land (returnable plot) that is expected to be more valuable than the land relinquished, along with a range of livelihood support measures including an annuity, skill upgrading and support for setting up self-employed enterprises;

   (ii) **Negotiated settlements**, whereby the Government and landowners agree on a compensation package comparable with the provisions of the LARR Act, 2013,³ for the land and assets within village boundaries; and, if neither of these first two approaches is successful,

   (iii) **Eminent domain**, by which compensation for lands acquired (replacement value and livelihood support) is provided following the requirements of the LARR Act 2013.

20. Should the Bank decide to move ahead with the proposed Project, the currently identified options for Bank investments would affect about 3,000 landowners in 24 villages and. In total, over 30,000 landowners in 22 of these villages have opted to join the LPS. About 4,000 landowners, most of them situated in two of the 24 villages, have chosen not to do so.

21. **LPS for Amaravati City.** Land pooling has been introduced by the Government of AP as an innovative land use planning instrument to address and manage, in a proactive manner, some of the negative externalities that typically arise from urbanization and rapid

³ Under a negotiated settlement process, the APCRDA and landowners negotiate a package that may include land-for-land, compensation for assets, construction grant and transitional assistance, culminating in a formal agreement between the parties.
population growth, and specifically, the rapid appreciation of the value of land in urban areas, which leads to spatial exclusion of the urban poor. Due to the lack of affordable land in cities, the urban poor often find housing only in informal and squatter settlements and slums, in marginal locations (including at-risk areas). Urbanization, on the other hand, creates opportunities to leverage the development potential of urban areas, and to capture land value increases in a way that benefits all citizens and improves the living environment of lower income communities. The LPS is designed to ensure that affected people are not just passive recipients of compensation, but rather that they become direct beneficiaries of the increased value of their land as it is incorporated into the urban landscape. See Box 1.

22. The Government of AP is leveraging the land value capture potential in Amaravati to benefit landowners directly and immediately from the increases in the land value that will result from the development of the capital city. Moreover, in what is the most innovative part of the scheme, landowners contributing land under the LPS become stakeholders in the future development of the City by being able to remain there. Through the allotment of returnable plots, rural landowners remain as owners of land in the new city and continue to benefit from the land value increase potential of their plots. The aggregated expected value of the urbanized returnable plots, annuities, as well as other social development benefits that participants receive under the LPS, exceeds the replacement value of agricultural land assets contributed under the scheme.

23. Participation in the LPS is one of three options for landowners, as noted above. To date, roughly 86 percent of the private land required for the new capital city has been obtained through land pooling. Management has been advised by the APCRDA that all landowners who have joined the LPS have provided their written consent and signed agreements for participation in land pooling. Landowners who choose not to participate in the LPS may negotiate a settlement or follow the provisions of the LARR Act 2013.

24. The LPS was designed by the APCRDA prior to Bank involvement with the Government of AP in the proposed Project. Since the Bank became engaged in the proposed Project, it has been conducting due diligence on the LPS through the draft RPF, which identifies gaps between Bank policy requirements and the LPS, and measures to address them. These measures would be implemented through site-specific RAPs, as noted above in paragraphs 12-15. The Bank has received the draft RPF from the APCRDA and has provided comments. The RPF will be finalized reflecting the Bank’s comments as well as concerns raised by the Requesters.

25. In return for contributing their land, landowners participating in the LPS are entitled to a combination of benefits: (i) returnable plots of urban land within the Amaravati City

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4 Payments are proportional to the area of land contributed to land pooling, and thus vary from individual to individual. The affected agricultural laborers and tenant farmers depending on the lands pooled under the LPS receive monthly pensions for 10 years, access to skill development training, and access to employment under Employment Guarantee schemes.

5 The design of the LPS is based on consultations with landowners in the Amaravati City area. Consultations informed decisions on (i) area and location of returnable land plots; (ii) annuity amounts; and (iii) access mechanisms for social development benefits.
These forms of compensation, described in more detail below, are consistent with the objective of the Bank’s policy on involuntary resettlement to conceive and execute resettlement as sustainable development programs to enable people to share in project benefits:

- **Returnable urban plots** are allotted in and around the same village where landowners have given up their agricultural lands under LPS. Landowners can choose the type of returnable plot they will receive from a broad menu of residential and commercial land plot options. The process of selection and allotment of returnable plots to date involved multiple stages: (i) draft LPS layouts/maps prepared by the APCRDA showing the location of returnable plots were shared with all participants of the LPS. The plot allotment policy brochure was prepared in Telugu and included a section with frequently asked questions and answers; (ii) draft layouts were uploaded on the APCRDA website and notified in the district gazette; people were given 30 days to file objections and to provide suggested changes to the draft layouts; (iii) consultations on the proposed layouts were held in each village; (iv) suggestions were integrated by the APCRDA in the final layouts to the extent possible; (v) additional consultations were carried out by the APCRDA; (vi) final LPS layouts were prepared, notified for each village, displayed at the village panchayat office, uploaded to the APCRDA website, and notified in the district gazette; and (vii) LPS landowners were issued provisional certificates for their allotted returnable plots through an open, digital randomized allocation system (conducted in front of all landowners and other parties, including public representatives, electronic and print media). Provisional certificates need to be registered in the name of beneficiary landowners, which completes the land pooling process.

The issuance of provisional certificates for returnable plots constitutes an important milestone since it allows landowners to know the actual location of their returnable plots and to monitor the development of infrastructure in proximity to them. Landowners participating in the LPS have full recourse to the Indian judicial system at any stage of this process, in addition to the grievance mechanisms described in paragraph 16. To date, no complaints have been directly communicated to the Bank from landowners participating in the LPS about the legality of provisional certificates or the subsequent registration process. Consultation with local farmers will continue during preparation of the proposed Project and the Bank team will

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6 Annuity payments are available for a period of ten years irrespective of date of allotment of returnable plots and are paid annually. Farmers have received two payments to date and the third annuity payment is in progress.

7 Landowners chose their returnable plots from a large number of alternatives. Specifically, these alternatives included: (i) single plots; (ii) multiple plots of smaller areas adding up to the total returnable area; (iii) plots in residential areas; (iv) plots in commercial areas; or (v) combinations of all the above options. Landowners can also decide to merge plots with others (such as family members for example), in both residential and commercial areas.
proactively solicit additional feedback from local stakeholders. The APCRDA has almost completed the allocation of returnable land: to date, about 58,000 returnable plots have been allotted to over 23,000 LPS landowners in 22 of the 24 villages, who have received their provisional certificates. The APCRDA initiated the process of registration of the returned plots in March 2017.\textsuperscript{8} The registration process is ongoing.

- \textit{Annuity payments} are a second component of the compensation package that landowners who have contributed their land to LPS will receive from the APCRDA. Annuity payments will continue for a period of ten years, and are proportional to the land that was contributed to the LPS. Landless agricultural wage laborers who work on land assembled under the LPS, and whose livelihoods are affected by the LPS are also compensated. As per the LPS design, landless laborers will receive a \textit{monthly pension} for 10 years. Participating farmers began receiving \textit{annuity payments} as part of their LPS benefits package in May 2015. \textit{Monthly pensions} have also been distributed since May 2015 to agricultural laborers and tenant farmers who resided in the capital city area as of December 8, 2014.

- \textit{Other benefits} that the APCRDA is extending to LPS participants include waiver of agricultural loans, interest free loans for self-employment, access to skill development training, access to employment under an Employment Guarantee program, free education and access to medical facilities. LPS participants have begun receiving these benefits: (i) a skill development institution was established in July 2016 and has trained more than 500 people to date; (ii) more than 1,000 people have received assistance for job placement through 9 job fairs; (iii) more than 19,000 people have received loan waivers; (iv) over 16,000 job cards have been issued; (v) over 56,000 person-days of employment have been generated to date; and (vi) education and health schemes have been initiated.

**IV. MANAGEMENT’S RESPONSE**

26. \textit{Management understands the concerns of the Requesters regarding compensation for land which is acquired for the development of Amaravati City. Management has carefully reviewed the allegations made by the Requesters and will ensure that any Bank support for the proposed Project complies with Bank policy}. Management has agreed on an action plan with the Borrower to address concerns raised in the Request.

27. \textit{Management has made no decision yet whether to finance the proposed Project}. Management notes that the project is still at an early stage of preparation and therefore substantive application of Bank policies and procedures have not yet taken place. Management maintains also that the preparatory work done so far meets the requirements of the Bank’s operational policies and procedures.

\textsuperscript{8} Returned plots have been registered at the respective sub-registrars’ offices.
28. **Management will decide whether to move ahead with the proposed Project only after appropriate analysis of potential Project risks and impacts has been undertaken, and adequate mitigation measures to address them have been developed and consulted upon to the satisfaction of the Bank.** Before the Decision Meeting, Management commits to completing safeguard documents that have been appropriately consulted upon and include an analysis of the land acquisition process under the proposed Project, including the LPS, negotiated settlement and eminent domain; an assessment of the proposed Project investments within Amaravati City; and an assessment of the potential environmental and social risks and impacts and how these would be addressed under the proposed Project. Also before the Decision Meeting, Management will work with the Borrower to complete a plan for ongoing consultation, and establish a robust project-level grievance redress mechanism and citizen advisory committee, as well as an enhanced communication strategy for the proposed Project and its safeguard aspects.

29. **Management takes the Requesters’ claims of coercion very seriously and emphasizes that it does not condone any form of coercion.** Management will work with Government authorities, the implementing agency, and the communities to ensure a free and meaningful stakeholder engagement process. For more detail on planned actions, see paragraphs 32-35 below.

30. **Given the significant urban development challenges facing India, and the scarcity of land in increasingly populated urban areas, the proposed Project could be an important step in the use of an innovative land use planning instrument in the Bank’s engagement in the country.** Land pooling has been successfully used in India, Nepal and elsewhere in the world (e.g., Australia, Canada, Europe, Japan, Korea, United States).

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**Box 1. Land Pooling**

As cities grow and urbanize, assembling land for planned urban development is a challenge for local authorities, who need to ensure an environmentally, socially and financially sustainable way to provide adequate infrastructure and basic services, and to guarantee livability for all urban residents. As urban areas expand and the value of land increases, international experience shows that the challenges of limiting displacement of vulnerable populations, and of ensuring inclusive urban development become increasingly acute. In response to these challenges, Land Pooling (LP) has been used as an innovative approach to minimizing resettlement and maximizing benefits for those whose land is acquired.

Indian policy makers have struggled to devise regulations to ease the acquisition of land for the vast amounts of infrastructure and housing the country needs, while avoiding the disruption and displacement that has accompanied land acquisition in the past. In response to these challenges, there has been a renewed interest among urban planners and governments around the world to implement LP.

**Definition.** LP (or land readjustment) is a land management instrument that involves consolidating individual land parcels into a larger plot, providing it with infrastructure and planning its land use and development. A portion of the reconstituted, serviced land is returned to the original owners. Although the readjusted plots returned to each original landowner may be smaller and of a different size and shape, the overall value of such plots is expected to be higher than at the onset, resulting from factors including: (i) access to services; (ii) requalification of land use (from rural to urban for example); and (iii) proximity to area development.

**Benefits.** Land pooling is often favored over direct land acquisition because it avoids displacement, fosters inclusion through voluntary participation, and encourages cooperation between landowners and project implementers as landowners retain their claim on the land. It is also cost-effective for borrowers because governments do not directly finance the purchase of rights-of-way or compensate resettled residents. Land
pooling unlocks financing for infrastructure and public services through the gains from higher land values and the rezoning of land to residential/commercial use. Where used appropriately, LP is a means to manage city expansion and to minimize ad hoc sprawl on urban fringes. Typically, the resulting land assembled through LP is of higher density and better serviced (with properly sized roads, better connectivity, amenities and basic services) than the earlier individual land parcels.

**Global experience.** The use of LP as an instrument for land assembly has seen widespread success, globally including in countries such as Japan and South Korea, as well as in India. Example of successful LP schemes recently implemented in Asia include:

- **Gujarat, India.** Gujarat has effectively used its town planning scheme as a land assembly tool for almost a century. The first such scheme was implemented in 1920 and consisted of 270 hectares. By 2012, town planning schemes had increased to 1,200 hectares in urban areas.

- **Kathmandu Valley, Nepal.** To address the lack of a large stock of state-owned land, LP projects have been implemented in the country since 1988, mostly by central government planning agencies, but also by several by municipalities. A total of nearly 7,000 housing plots were produced from 237 hectares, with the involvement of 10,000 landowners. The landowners contributed nearly 82 hectares of land for roads, open space, and reserve plots and benefitted from a 300 to 600 percent increase in land values.

- **Seoul, Korea.** The Seoul City Government produced about 11,500 ha of urban land between the 1950s and 1980s, through a total of 41 large-scale land pooling and readjustment projects.

- **Japan.** By the end of 2006, about 11,800 projects involving a total land area of about 395,000 hectares had been undertaken by this method under the provisions of the City Planning Law, 1919 and the Land Readjustment Law, 1954. This accounts for about 33 percent of the urbanized land area of Japan.

* The Bank’s new Environmental and Social Framework (ESF) explicitly contemplates the use of land pooling and similar schemes in paragraph 32 of [Environmental and Social Standard, ESS 5: Land Acquisition and Resettlement: “As an alternative to displacement, the Borrower may consider negotiating in situ land development arrangements by which those to be affected may elect to accept a partial loss of land or localized relocation in return for improvements that will increase the value of their property after development. Any person not wishing to participate will be allowed to opt instead for full compensation and other assistance as required in this ESS.” While the current Bank safeguards do not explicitly include such language, it is not uncommon for certain types of projects – for example, in the irrigation sector – to be designed so that required compensation is provided on an optional basis in the form of smaller, yet higher value, serviced plots of land that meet the compensation standards of OP 4.12 while allowing more direct participation of the affected party in the benefits of the project.**

** Improving Access to Urban Land for All Residents: Fulfilling the Promise.

31. The Requesters’ claims, accompanied by Management’s detailed responses, are provided in Annex 1. Specific issues are discussed below.

**Coercion**

32. **Management has reached out to landowners specifically identified in some of the coercion allegations, who have assured the Bank that they were not subjected to or aware of any coercion attempts.** Following this discussion, the Bank received unsolicited letters from LPS landowners’ associations expressing their support for the LPS and the proposed Project (see Annex 2). Management notes that allegations of coercion were dismissed by the Supreme Court of India on August 21, 2016 (see Annex 3 for a copy of the Supreme Court of India verdict).

33. **The Bank has increased its presence in Amaravati by expanding the number of visits to villages in the area to have more opportunities to consult with affected people**
and to gather more insight into the coercion allegations. Management is also in the process of hiring an independent party to carry out interviews and consultations in local villages to obtain additional information regarding this issue.

34. **Management will work with Government authorities, the implementing agency, and the communities to ensure a free and meaningful stakeholder engagement process.** Management has contacted the Government authorities and shared its concerns. Management will expand its ongoing dialogue with the Government of AP to emphasize that proactive and open stakeholder engagement, free from coercion, is a prerequisite for Bank support for a project, and that Management expects stakeholder input to be taken into account in project design.

35. **The Bank team for the proposed Project will work with the APCRDA to put measures into place to facilitate this stakeholder engagement, including a citizen advisory committee and a robust project-level GRM to address the concerns of Project-affected people during preparation and implementation.** The Bank will also work with local organizations that are trusted by the communities or with independent third-party monitors to gather views of stakeholders and to identify any coercion.

**Land Pooling**

36. **To develop Amaravati City according to the Master Plan, the Government of AP needs to acquire and assemble 217 km$^2$ of land. Affected landowners can choose between: (i) participation in the LPS; (ii) negotiated settlements; or (iii) land acquisition through eminent domain as regulated by the LARR Act 2013.** As noted above, the LPS was designed to ensure that affected people become direct beneficiaries of the increased value of their urbanized land. As such, Management recognizes the LPS as an innovative, sustainable, socially inclusive scheme that addresses in a proactive manner some of the negative externalities that typically arise from urbanization.

37. **All landowners who have joined the LPS have provided their consent and signed agreements for participating in land pooling.** At this point in time, allocation of land has been almost completed and LPS participants have begun to receive the other benefits available under the LPS.

38. **Management is aware that the issue of land acquisition for Amaravati City is controversial among certain stakeholders in the area.** While a group of landowners has repeatedly expressed support for the proposed Project and the LPS, and has urged the Bank to proceed with implementation of the proposed Project without further delay (see Annex 2), other stakeholders, such as the Requesters, have opposed the development of Amaravati City both in the media and in other public fora.

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9 Consent is confirmed by each landowner on at least six separate occasions during the LPS process. Concurrence from landowners is required at the time of: (i) giving consent to participate in LPS; (ii) signing a development agreement; (iii) registration of development agreement; (iv) returnable plot allotment certificate; (v) registration of land in favor of the implementing agency; and (vi) registration of returnable plot in favor of the farmer.
India

39. Management has been informed that the APCRDA has carried out an extensive information and consultation campaign to allow landowners to make an informed decision on their compensation options. This open process resulted in over 30,000 landowners joining the LPS, while approximately 4,000 landowners have opted not to join.

40. As part of the Bank’s due diligence, an analysis of compliance of the three land acquisition instruments with Bank policy has been carried out, and the APCRDA prepared a draft RPF. This draft RPF identifies gaps between the approach of the Government of AP to land acquisition and Bank policy requirements, and proposes measures to address these gaps, should the Bank decide to go ahead with the Project. The Bank has provided comments on the draft RPF to the APCRDA.

41. The APCRDA commissioned a third-party assessment of the LPS to identify any shortcomings that would need to be addressed during implementation. This study was carried out by consultants not associated with LPS implementation. Management has received a draft of the assessment study and will provide comments to the APCRDA. The assessment included a household survey among 125 randomly-selected households, representing different categories of affected people such as marginal and large farmers, agricultural laborers, and multi-cropped land owners; and in-depth focus group discussions with different stakeholders. It also included stakeholders in the ten villages where the proposed Project would be implemented. The key findings of the draft report include: (i) extensive consultations were held for the LPS and grievance redress mechanisms were in place; (ii) the LPS is optional and landowners consented to joining based on their confidence that the land returned to them would be of higher value than the original land and that lost assets would be adequately compensated for; (iii) LPS landowners are already receiving the agreed benefits (annuities, returnable plots, access to social development schemes, etc.); (iv) the transparent allotment of returnable plots to LPS landowners after extensive consultations has enhanced people’s confidence and trust in the process; (v) effective coordination mechanisms were observed among different involved agencies; (vi) adverse impacts on agricultural laborers, specifically related to livelihood impacts, would need to be addressed more comprehensively; and (vii) there are opportunities to involve LPS beneficiaries in various types of civil works, particularly related to infrastructure development on returnable plots. After finalization of the report, Management will work with the APCRDA to identify and implement measures, which address issues raised in the report related to the proposed Project, as part of the final RPF and of site-specific RAPs.

42. A final determination on whether land acquisition, as carried out by the Government of AP, is compliant with Bank policy requirements, and how any gaps in compliance would be mitigated, would be made by Management at Project appraisal. Management will only move ahead with the Project in its currently proposed form if Management is confident that the land acquisition approaches used by the Government of AP, including mitigation measures identified in the RPF and in site-specific RAPs, would ensure that landowners as well as agricultural laborers affected by land acquisition would be compensated in accordance with Bank policy.
Resettlement Policy Framework (RPF)

43. The proposed Project is still under preparation. At this early stage, an RPF is the most appropriate approach to identify the measures that need to be put in place to ensure that the proposed Project would be compliant with Bank policy, should the Bank decide to move ahead with it. Site-specific RAPs are being prepared for 10 specific roads, that would make up about 30 percent of the overall proposed investments. Additional site-specific RAPs and other appropriate safeguard documentation would be prepared as preparation of the proposed Project advances.

44. The Bank’s due diligence regarding resettlement is described in paragraphs 12-15 above. The Bank has received the draft RPF from the APCRDA and has provided comments. The RPF will be finalized reflecting the Bank’s comments as well as concerns raised by the Requesters. After clearance by the Bank, the draft RPF will be re-disclosed and again consulted on, following Bank policy. As described in more detail below, additional consultations are expected to take place later in 2017. Management will work closely with the APCRDA to ensure that consultations comply with Bank policy.

Consultations

Project-related consultations conducted to date

45. Management commits to expanding consultations on the proposed Project’s safeguard instruments, including the draft SESA-ESMF and the RPF. All safeguard documents for the proposed Project are still under preparation. To date, the consultations that have been carried out include the following.

(a) A public workshop on the draft SESA-ESMF and draft RPF held on January 19, 2017 was attended by 150 people from affected villages, including landowners, landless people, farmer association representatives, and media. A summary of the documents in local language was distributed in the workshop. In addition, about 50 government officials, and staff from the Bank and AIIB attended the consultation. Police were present during the workshop as a measure to maintain safety. Bank staff felt that the workshop was conducted in a free and fair manner, without police interference in the exchange of views.

(b) Additional consultations hosted by the Bank team in four villages in February 2017, were attended by about 80 people.

(c) As part of RAP preparation for the 10 roads that could be financed under the proposed Project, further focus group meetings are underway with small and marginal-scale landowners participating in the LPS, agricultural laborers, women, vulnerable groups, displaced people, and other relevant stakeholders. In addition,

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10 It should be noted the Project expects to use only 5-10 percent of the total land within Amaravati City. Accordingly, the total number of Project-affected persons is also expected to be a small fraction of the total population noted in the Request (127,505). It is estimated that the currently identified Bank investments would involve the displacement of approximately 400 families.
household socio-economic surveys are being carried out among families that would be affected by the proposed Project, both landowners and landless wage laborers. The outcome of these meetings will be incorporated in the site-specific RAPs.

46. **January 19, 2017 workshop.** The invitation to the workshop was widely published in local newspapers in both English and Telugu. Landowners participated in the workshop and commented on the contents of the draft SESA-ESMF and draft RPF. All participants were welcome to voice their opinions and provide feedback. Written feedback submissions were accepted starting from two weeks prior to and ending two weeks after the workshop. The minutes of the workshop are included in the draft RPF. The workshop was well covered in the local media. See Annex 4 for more media coverage of the consultations.

47. **Feedback received from stakeholders will be reflected in the SESA-ESMF and RPF.** Key issues raised by participants in the workshop included: (i) valuation of assets at market value; (ii) further minimization of physical displacement; (iii) improved entitlements under the negotiated settlement for physical resettlement; (iv) attention to vulnerable populations such as landless, scheduled caste, etc.; (v) timely payment of pensions and possible annual increases in monthly pension; (vi) ensuring local employment under contractors; (vii) proper management of impacts arising out of construction works and safety in the work place; and (viii) attention to issues associated with outside labor. Stakeholders further discussed the need to involve villagers in the decision-making process for development works as well as the need for attention to upgrading village infrastructure and strengthening the information sharing process. Some of the written suggestions received as part of the workshop regarded control measures for construction stage impacts, preventing water bodies being polluted, farmer consultations for flood mitigation works, provisions of LARR Act 2013, legal validity of agreements executed under the LPS, avoidance of graveyards in village areas, etc. Management will work with the APCRDA to incorporate these suggestions into the final versions of the SESA-ESMF and RPF.

48. **Consultations in four villages in February 2017.** Some of the suggestions and concerns that emerged during these meetings included: (i) need for clear on-the-ground demarcation of land required in the village areas for infrastructure components; (ii) issues related to land classification of non-registered houses; (iii) requirement of sufficient time for reconstruction of alternative houses; (iv) shifting alignment toward open lands to minimize physical displacement; (v) impacts to certain common properties and to those residing on government lands, and treatment of partially impacted houses; (vi) impacts to tenants or assigned landowners; (vii) improved entitlements including valuation of assets under negotiated settlement; (viii) educated youth employability; (ix) impacts on agricultural laborers; and (x) delays in receipt of pension amounts. As part of these meetings, consultations were also held with landowners who had not joined the LPS. Some landowners conveyed that one of the reasons for not having joined the LPS was the perception that their wet, multi-crop lands (known as jareebu), which had higher yields than dry lands, were more valuable, and that returnable plots would not provide an equivalent return to the original value of their land.
**Future Project-related consultations**

49. *Management agrees that a more extensive program of consultation and information on the proposed Project needs to be carried out, which may result in adjustments in project design.* The Bank team will work with the APCRDA to organize an extended consultation plan regarding the proposed Project in general, and the Project safeguard documents in particular. Feedback from the consultations will be incorporated in the final design of the proposed Project.

50. *Consultations on RAPs are currently in progress in villages that would be affected by roads that potentially would be financed by the proposed Project.* In addition, household socio-economic surveys are being carried out among families that would be affected by the proposed Project, both landowners and landless wage laborers.

**Consultations conducted by the Government on the development of Amaravati**

51. *Management has been advised by the APCRDA that it has consulted extensively on various aspects of the development of Amaravati City as a whole and continues to do so.* These consultations are separate from the consultations required by Bank policy and are not part of the Bank’s due diligence regarding the proposed Project. The APCRDA has conducted extensive information dissemination and consultation activities on the broader Capital City development project, including consultations on the strategic vision, the Master Plan, the LPS, etc. Consultations are being held regularly on issues such as returnable plot layouts and the process for allotment of returnable plots. Consultations carried out to date by the APCRDA include:

- **(a) Consultations on Social Impact Assessment (SIA) under the LARR Act 2013.** As part of the land acquisition process for Capital City development under the LARR Act 2013, the district administration has been conducting consultations and public hearings on village-specific SIAs in every affected village. Consultations are managed by independent consultants and these are ongoing for a few remaining villages. The minutes of these consultations are disclosed on the [APCRDA website](http://apcrda.org).

- **(b) Consultations on the Master Plan.** The APCRDA organized multiple rounds of consultations with landowners on the draft Master Plan, prior to Bank engagement. More than 100 consultations spread over all 24 villages were organized in January 2016, and more than 4,000 individual consultation comments were received. Stakeholder comments focused on plot sizes, assigned lands, village boundaries, asset valuation process, implication for lands owned by single owners in multiple villages, issues related to multi-cropped lands (jareebu), Floor Space Index (FSI) and set-back regulations, village maps, alignment changes of roads passing through the village areas, benefits to the more vulnerable, design of LPS layouts, zoning regulations, education and health benefits, etc. A Technical Committee consisting of members from the APCRDA and the Town and Country Planning Department of the Government of AP was set up to review the information and make recommendations. Key
recommendations pertain to modifications in the alignment of roads passing through villages, delineation of village boundaries, land use and zoning regulations, formulation of returnable plot sizes and their positioning in layouts, and allotment of plots to jareebu landowners.

(c) **Regular grievance redress meetings.** The ACPRDA conducts regular weekly grievance redress meetings to resolve landowners’ concerns regarding the LPS and other aspects of the development of Amaravati City.

### Environmental Issues

52. **SESA-ESMF.** As part of the Bank’s due diligence, Management required the APCRDA to develop an ESMF to (i) assess the policy, legal and regulatory framework for environmental and social management relevant to the development of Amaravati City and the proposed Project, (ii) conduct a situation analysis and assessment of the environmental and social priorities for the development of Amaravati City, (iii) assess the institutional framework and capacity for environmental and social management, and (iv) identify the positive and negative environmental and social risks and impacts associated with the sub-projects under the proposed Project. The Bank is currently reviewing the draft SESA-ESMF and will provide comments to the APCRDA before the document is finalized. Management will ensure that the concerns raised in the Request are addressed in the final documents, to the extent they are relevant to the proposed Project.

53. **Assessment of alternatives.** The selection of the location of Amaravati City is a sovereign decision and was taken by the Government of AP, before the Bank engaged in the proposed Project. The proposed scope of the Project is limited to some interventions within Amaravati City; as such, the SESA-ESMF’s assessment of alternatives does not include an analysis of potential alternatives for the location of Amaravati City itself, but rather is limited to alternatives to the specific interventions that could be financed under the proposed Project.

54. **The draft SESA-ESMF considers, among other issues, potential Project impacts related to flooding, conservation of water bodies, and forest land, and identifies measures to mitigate any adverse impacts.** Flood mitigation plans and designs related to the Kondaveeti Vagu River are currently undergoing detailed studies.

55. **Environmental impacts on the Kondaveeti Vagu River.** The proposed Project includes a sub-component that would address flood management along the Kondaveeti Vagu River and the surrounding wetland areas. At this time, no specific potential investments have been identified for this component. Potential environmental impacts related to such investments, like those cited by the Requesters, will be assessed in detail in a site-specific EIA for this particular sub-component. The Bank will work closely with the APCRDA to ensure that the scope of the assessment is adequate, including for the Kondaveeti Vagu River and surrounding wetland areas.
Food Security

56. During consultations on the draft SESA-ESMF, stakeholders raised concerns about food security resulting from the large-scale conversion of agricultural land to non-agricultural use. This issue was analyzed in the SESA-ESMF. The SESA-ESMF determined that the crops in the Amaravati City area are predominantly crops that are not used for daily consumption by people. Transformation of agricultural land to urban land would, therefore, not significantly impact the production of food in the state.

57. Overall, the area of Amaravati City under cultivation amounts to 0.027 percent of the total area of the state under cultivation and 0.077 percent of paddy-sown area in the state. Further, the proposed Project is expected to require only about 5-10 percent of the total land within the Amaravati City area. The Government of AP has informed Management that it plans to promote the cultivation of more agricultural lands elsewhere in the state, opening new food sources directly for state residents. This is part of the Government's approach to address food security issues as part of overall land acquisition for the development of Amaravati City.

58. Management understands from relevant government agencies that the state is a top producer of horticulture crops and the Government has taken steps to bring more land under horticulture by providing incentives to farmers. The state also has taken steps such as interlinking rivers to stabilize irrigation by providing a dependable source of water, and these are leading to a substantial increase in crop productivity, including for food crops.

59. Management will ensure that the concerns raised by the Requesters are addressed in the final SESA-ESMF, to the extent they are relevant to the proposed Project.

Proposed Actions

60. Management is of the view that, to date, the preparation of the proposed Project has followed Bank policy requirements. However, Management views the Request for Inspection as an opportunity to review and consider the views and concerns of the Requesters.

61. Management has agreed on an action plan with the Borrower to address concerns raised in the Request. The actions detailed below in paragraphs 62-66 will be undertaken during Project preparation for this purpose.

62. Community engagement and monitoring to address coercion and other implementation issues. Given the complex nature of land acquisition and its potential impacts on the proposed Project, the Bank will work with the APCRDA to establish a citizen advisory committee, consisting of recognized members of the community as well as external experts, to serve as an advisory panel to the APCRDA and to inform the implementation of the proposed Project and the mitigation of any potential adverse impacts of the proposed Project. Further, Management will:
• Convey to the Government that proactive and open stakeholder engagement, free from coercion, is a prerequisite for Bank support for a project, and that Management expects stakeholder input to be taken into account in project design;

• Engage an independent local party to carry out interviews and consultations in local villages to obtain additional information on any potential coercion;

• Engage independent local professionals to visit the affected villages frequently to monitor the concerns of Project-affected people and to bring these to the attention of the Bank and the APCRDA;

• Increase the frequency of preparation and supervision missions, during which the Bank will proactively reach out to stakeholders to maximize their opportunities to interact with Bank staff on implementation issues in general, and potential instances of coercion in particular;

• Work with the APCRDA to establish a robust project-level grievance redress mechanism to collect stakeholder input and complaints during preparation and implementation of the proposed Project.

63. **Project preparation.** Management is committed to continued strong and robust preparation of the proposed Project and to finalization, by the time of the Decision Meeting, of the following documents, including stakeholder consultation on them:

• The RPF with an analysis of the land acquisition process under the proposed Project, including the LPS, negotiated settlement and eminent domain, and an assessment of related risks and impacts and how these would be managed;

• The SESA-ESMF, including an assessment of the proposed investments under the proposed Project within Amaravati City, the related environmental and social risks and impacts and how these would be addressed under the proposed Project;

• A plan for ongoing consultation and grievance redress/citizen engagement, with clear feedback mechanisms to be implemented as part of the Project (including indicators in the results framework);

• An enhanced communication strategy for the Project and safeguard aspects.

64. **Policy compliance.** To ensure that the proposed Project continues to comply with Bank policy, Management will:

• Work with the APCRDA to address any gaps between Bank policy and the LARR Act 2013 as well as the LPS, as appropriate, in the final RPF;

• Agree with the APCRDA on how the recommendations in the final third-party assessment report of the LPS, as well as additional comments the Bank may have,
would be implemented and reflected in safeguard and other Project documents, as appropriate;

- Agree with the APCRDA on ways to add livelihood support measures for Project-affected landowners and landless wage laborers, including skill upgrading of vulnerable groups;

- Work with the APCRDA to address in the final SESA-ESMF specific stakeholder concerns, such as those raised by the Requesters, as appropriate.

65. **Consultation and information.** The proposed Project would benefit from an enhanced consultation and stakeholder engagement approach. Therefore, Management will:

- Work with the APCRDA to expand consultations on Project safeguard documents as they are being finalized, including the SESA-ESMF, RPF, site-specific RAPs, site-specific EIAs and site-specific ESMPs. This includes focus group consultations with various affected categories of people, such as small and marginal-scale farmers, agricultural laborers, women, and displaced populations. It will also include a stakeholder workshop to introduce and discuss the finalized safeguard documents, how they address stakeholder concerns, and how key safeguard issues are managed (for example, compensation and social development and skill upgrading schemes);

- Work with the APCRDA to address, as relevant, the concerns raised by the Requesters and other stakeholders regarding land acquisition and potential environmental impacts in the final drafts of the SESA-ESMF and RPF, and to re-disclose and consult on the final drafts;

- Work with the APCRDA to ensure that consultations continue to be free, fair and meaningful.

66. **Grievance redress.** Management recognizes that strong grievance mechanisms are needed at project level to ensure that the concerns of people affected by projects are heard and addressed appropriately. Management will:

- Work with the APCRDA to establish a Project-level GRM that includes members who are not associated with the Project to address complaints where Project-affected people considered that the existing grievance mechanism did not solve their issue.

- Engage with landowners whose land plots are to be used for the proposed Project, to explore solutions and improvements in environmental and social risk management, within the mandate of the Bank’s safeguard policies.
V. CONCLUSION

67. Management has made no decision yet whether to finance the proposed Project. Management notes that the proposed Project is still at an early stage of preparation and therefore substantive application of Bank policies and procedures have not yet taken place. Management maintains also that the preparatory work done so far meets the requirements of the Bank’s operational policies and procedures.

68. Going forward, Management will work closely with the APCRDA to ensure that the proposed Project and its components continue to comply with applicable Bank policies. The Bank is prepared to engage with the Requesters to explore solutions and improvements in the management of environmental and social risk, within the mandate of the Bank’s safeguard policies. Management has developed an Action Plan with the Borrower to respond to the Requesters’ concerns, which includes enhanced consultations and grievance management, enhanced due diligence, and other mitigation measures.

69. Management will decide whether to move ahead with the proposed Project only after appropriate analysis of potential Project risks and impacts has been undertaken and adequate mitigation measures to address them have been developed and consulted upon to the satisfaction of the Bank.
## ANNEX 1

### CLAIMS AND RESPONSES

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<td>1.</td>
<td><strong>Land Pooling Scheme.</strong> The Land Pooling Scheme regulations entered into force on 1 January 2015, and the</td>
<td>Management takes the Requesters’ claims of coercion very seriously and emphasizes that it does not condone any form of coercion. Management has reached out to landowners specifically named in some of the coercion allegations, who have assured the Bank that they were not subjected to or aware of any coercion attempts. Following this discussion, the Bank received unsolicited letters from LPS landowners’ associations expressing their support for the LPS and the proposed Project (see Annex 2). Management notes that allegations of coercion were dismissed by the Supreme Court of India on August 21, 2016 (see Annex 3 for a copy of the Supreme Court of India verdict). The Bank has increased its presence in Amaravati by expanding the number of visits to villages in the area to have more opportunities to consult with affected people and to gather more insight into the coercion allegations. Management is also in the process of hiring an independent party to carry out interviews and consultations in local villages to obtain additional information regarding this issue. Management will work with Government authorities, the implementing agency, and the communities to ensure a free and meaningful stakeholder engagement process. Management has contacted the Government authorities and shared its concerns. Management will expand its ongoing dialogue with the Government of AP to emphasize that proactive and open stakeholder engagement, free from coercion, is a prerequisite for Bank support for a project, and that Management expects stakeholder input to be taken into account in project design. The Bank team for the proposed Project will work with the APCRDA to put measures into place to facilitate this stakeholder engagement, including a citizen advisory committee and a robust project-level GRM to address the concerns of Project-affected people during preparation and implementation. The Bank will also work with local organizations that are trusted by the communities or with independent third-party monitors to gather views of stakeholders and to identify any coercion. Participation in the LPS is one of three options for land acquisition that landowners can choose. Landowners whose land is to be acquired have the option to: (i) participate in the LPS; or (ii) decline to participate in the LPS and negotiate individual settlements; or, if negotiations fail, (iii) follow the</td>
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<td>regulations is managed by the APCRDA. Although the government characterizes the scheme as voluntary, many landowning farmers were intimidated and economically coerced into pooling their land. Tactics included setting short deadlines for participation in the LPS, which were subsequently and repeatedly extended; threats to acquire the land under the regulations of the Land Acquisition Act of 2013, which would provide compensation far below the actual market value of the landowning farmers’ land; and threats to provide the ten-year annuity (described in paragraph 8) only to those landowning farmers who signed up for the LPS prior to May 1, 2015. Landowning farmers who expressed opposition to the LPS were also intimidated and harassed. In December 2014, banana plantations were set on fire in six villages in which the majority of residents opposed land pooling. Since then, there have been additional instances of fires and destruction of crops on land owned by landowning farmers who have refused to participate in the LPS. Many of these incidents are detailed in Attachment 9, which is an article published in Economic &amp; Political Weekly, Vol Li No 17, on 23 April 2016, titled &quot;Making of Amaravati - A Landscape of Speculation and Intimidation&quot;. Further, there has been a heavy police presence in the Amaravati area since land pooling began, and police have interrogated, detained, harassed, assaulted, and intimidated residents. More than 3,000 landowning farmers were interrogated and assaulted to make them sign up for the LPS. The police threatened that if the landowning farmers do not pool their land, the police will file cases on them. Six police battalions were called into action. They moved from village to village with AK 47s and machine guns. Refer to the references in Attachment 9 for more details. The Government of Andhra Pradesh and APCRDA failed to respond to the objections submitted by landowning farmers who refused to participate under LPS. Refer to Attachment 7, summarising the objections on LPS. Concerns also have been raised about the impact of the LPS on marginalized groups, including the Scheduled Castes, the Dalit, agricultural laborers, and landless families. Refer to Attachment 10 for more details. Many landowning farmers have not consented to participate in the LPS, and some of these landowning</td>
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farmers, including Requester #3, have now been notified that their land will be acquired under the Land Acquisition Act. These landowning farmers have filed multiple cases in the high court. In April 2017, the High Court issued a stay on land acquisition in Requester #3’s village, and the High Court also directed the authorities to cease its efforts to mark land that has not been acquired under the LA Act. Refer to Attachment II for more details on the ongoing cases.

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<td>procedures for land acquisition as outlined by the LARR Act 2013. Management has been informed that the APCRDA has carried out an extensive information and consultation campaign to allow landowners to make an informed decision on their compensation options. This open process resulted in over 30,000 landowners joining the LPS, while approximately 4,000 landowners have opted not to join. This attests to the optional nature of the LPS. The progress in land pooling and plot allotment, among others, is disclosed on the APCRDA’s website (<a href="https://crda.ap.gov.in">https://crda.ap.gov.in</a>).</td>
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Consultations on Master Plan. The APCRDA organized multiple rounds of consultations with landowners on the draft Master Plan, prior to Bank engagement. More than 100 consultations spread over all 24 villages were organized in January 2016. More than 4,000 individual consultation comments were received. These consultations are documented by APCRDA on its website. Stakeholder comments referred to plot sizes, assigned lands, village boundaries, asset valuation process, implications for lands owned by single owners in multiple villages, issues related to multi-cropped lands (jareebu), FSI and set-back regulations, village maps, alignment changes of roads passing through village areas, benefits to the more vulnerable, design of LPS layouts, zoning regulations, education and health benefits, etc. A Technical Committee consisting of members from the APCRDA and the Town and Country Planning Department of the Government of AP was set up to review the outcome of consultations and individual submissions and make recommendations. Key recommendations pertain to modifications in the alignment of roads passing through villages, delineation of village boundaries, land use and zoning regulations, formulation of returnable plot sizes and their positioning in layouts, and allotment of plots to jareebu landowners.

Optional nature of LPS. Participating landowners have joined the LPS following a process of informed consent following the many consultations detailed above. Consent is confirmed by each landowner on at least six separate occasions during the LPS process. Management has been advised by the APCRDA that all landowners who have joined the LPS have provided their written consent and signed agreements for participation in land pooling, which are enforceable in

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1 Concurrence from landowners is required at the time of: (i) giving consent to participate in LPS; (ii) signing a development agreement; (iii) registration of development agreement; (iv) returnable plot allotment certificate; (v) registration of land in favor of the implementing agency; and (vi) registration of returnable plot in favor of the farmer.
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<td>courts in the event the provisions of those agreements are not honored by the Government of AP.</td>
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<td><strong>Participation in LPS.</strong> The LPS was launched following the approval of the APCRDA Act of 2014, which incorporated land pooling as one of its sanctioned land management policies. To date, approximately 86 percent of the land needed for the development of Amaravati City has been assembled through land pooling. While the Government of AP has currently initiated land acquisition processes for the remaining land following the provisions of the LARR Act 2013, landowners that become interested in joining the LPS can still sign up to participate at any time before the award of compensation is made under the LARR Act 2013.</td>
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<td><strong>Compensation under LPS.</strong> The key components of the compensation packages under the LPS include: (i) <em>returnable plots of urban land</em> within the Amaravati City perimeter; (ii) <em>annuity payments</em> to landowners, which the Government of AP started issuing in May 2015, and that will continue for a period of 10 years; landless agricultural wage laborers whose livelihoods are affected by the LPS receive a <em>monthly pension</em> for 10 years; and (iii) <em>other benefits</em>, which include waiver of agricultural loans, interest free loans for self-employment, access to skill development training, and access to employment under an Employment Guarantee program, free education and access to medical facilities. Access to compensation packages is independent of the date on which the landowners join the LPS.</td>
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<td><strong>Compensation under LARR Act 2013.</strong> The LARR Act 2013 improved land valuation processes relative to earlier regulations through a number of provisions: (i) allowing consideration of the higher of two land values, i.e., the reference rate for land prices in government guidelines used for property registrations, or the top 50 percent of registered sale transactions by value that have taken place in the preceding three year period; (ii) final compensation in Andhra Pradesh in rural areas is calculated as 2.5 times the value arrived at in (i) above; and (iii) compensation for structures as well as an annuity or lump sum that is built in as a supplement compensation to mitigate loss of livelihood impacts.</td>
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<td><strong>Coercion allegations.</strong> See above.</td>
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<td><strong>Grievances.</strong> APCRDA conducts weekly grievance redress meetings to resolve landowners’ concerns.</td>
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2 The LARR Act 2013 allows the state governments to fix the compensation for rural areas between 1 to 2 times with 100 percent solatium. The Government of AP has fixed 1.25 times for rural areas and adds 100 percent solatium to compensation which amount to 2.5 times of market value.
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<td>2.</td>
<td>90% of landowning farmers in the capital city area have signed legal documents indicating their intent to participate in the LPS. However, only ten landowning farmers have completed the legal steps necessary to transfer their land rights (title deeds) to the State. The other landowning farmers have not yet completed those steps, and are unwilling to do so because of the lack of legal guarantees about the location of their developed plots and the infrastructure that each &quot;developed plot&quot; will contain. Further, many landowning farmers are concerned that there is no market value specified for the developed plots in the registration documents. Refer to Attachment 22, for sample copy of a land registration document that doesn't contain registration value. This is illegal as per Indian Stamps act 1899 for title transfer.</td>
<td>Landowners will benefit from the development of the original agricultural land and its conversion into urban land, together with the additional benefits provided to LPS participants. <strong>LPS procedures and current status.</strong> Registration is conducted in three stages: first, the entirety of the land surrendered by the landowners is registered in the name of APCRDA; second, a provisional certificate is issued to each landowner for the returnable plots; and third, the returnable plots are registered in the name of the landowners. The APCRDA has almost completed the allocation of returnable land: to date, about 58,000 returnable plots have been allotted to over 23,000 LPS landowners in 22 of the 24 villages, who have received their provisional certificates. At the next stage, LPS...</td>
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3 Management is aware that in Penumaka, one of two villages where substantial jareebu lands were located, people have lodged a court case objecting to land acquisition.
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<td>landowners register their returned plots. The APCRDA initiated the process of registration of the returned plots in March 2017. The registration process is ongoing. <strong>Guarantees on location of returnable plots and on infrastructure provision.</strong> The issuance of provisional certificates for returnable plots (completed in 22 out of 24 villages as noted), constitutes an important milestone since it allows landowners to know the actual location of their returnable plots and to monitor the development of infrastructure in proximity to them. <strong>Content of registration documents.</strong> Land values are not referenced in the registration document because no sales transaction is involved.</td>
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4 The benefits to those who have joined LPS include: (i) returnable urban plot; (ii) loan waiver: one-time agricultural loan waiver of up to INR. 1,50,000; (iii) loans for self-employment: interest free loans of up to INR. 25,00,000 are available to all poor families (annual income below INR. 60,000 and 75,000 in rural or urban areas, respectively) for the set-up of self-employment enterprises; (iv) education and health: free education and health facilities are available to all those residing in the capital city area as of 8th December, 2014; (v) old age homes will be established to take care of people of 65 years of age and above; (vi) subsidized canteens: to provide food at subsidized rates; (vii) wage employment: Social Development agency is exploring possibilities to engage the landowners under LPS throughout 365 days a year per family under MGNREGA, unlike the actual 100 working days per year; and (viii) establishment of skill development institutions to provide training with stipend to enhance the skills of former landowners.
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<td>by continued inadequate access to information and consultation, as well as threats and harassment: The coercion and intimidation involved in the land pooling process, combined with a lack of adequate access to information and consultation, has caused significant psychological stress for the Requesters. Further, the intimidating atmosphere around</td>
<td>The APCRDA has conducted consultations on the LPS and on the draft safeguard instruments related to the proposed Project. Management commits to expanding consultations on the proposed Project's safeguard instruments, including the draft SESA-ESMF and the RPF.</td>
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<td>4.</td>
<td>…] The PID/ISDS states that OP/BP 4.12 applies to all land used for the ASCCDP, including land already acquired through the Land Pooling Scheme. Because the LPS is &quot;substantially completed,&quot; due diligence will consist of &quot;an independent implementation assessment of LPS Scheme to assess its implementation outcomes to date, hear the reactions of those who have participated in LPS and identify measures required to strengthen its implementation process during the remaining implementation period as applicable to sub-projects.</td>
<td>An independent third-party assessment of the LPS has been drafted and is currently under review by Management. Management will work with the APCRDA on integrating relevant findings into Project design and documentation, as appropriate. Third-Party Assessment of LPS. The APCRDA commissioned a third-party assessment of the LPS to identify any shortcomings that would need to be addressed during implementation. Management has received a draft of the assessment and will provide comments to the APCRDA. The assessment included a household survey among 125 randomly-selected households representing different affected categories such as marginal and large farmers, agricultural laborers, and multi-cropped land owners; and in-depth focus group discussions with different stakeholders. It also included stakeholders in the ten villages where the proposed Project would be implemented. The key findings of this draft report include: (i) extensive consultations were held for LPS and grievance redress mechanisms were in place; (ii) LPS is optional and landowners consented to joining based on their confidence that the land returned to them would be of higher value than the original land and that lost assets would be adequately compensated for; (iii) LPS landowners are receiving the agreed benefits (annuities, returnable plots, access to social development schemes, etc.); (iv) the transparent allotment of returnable plots to LPS landowners after extensive consultations has enhanced people’s confidence and trust in the process; (v) effective coordination mechanisms were observed among different involved agencies; (vi) adverse impacts on agricultural laborers, specifically related to livelihood impacts, would need to be addressed more comprehensively; and (vii) there are opportunities to involve LPS beneficiaries in various types of civil works, particularly related to infrastructure development on returnable plots. After finalization of the report, Management will work with the APCRDA to identify and implement measures which address issues raised in the report related to the proposed Project, as part of the final RPF and of site-specific RAPs.</td>
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<td>5.</td>
<td>Mental harm due to continued inadequate access to information and consultation, as well as threats and harassment: The coercion and intimidation involved in the land pooling process, combined with a lack of adequate access to information and consultation, has caused significant psychological stress for the Requesters. Further, the intimidating atmosphere around</td>
<td>The APCRDA has conducted consultations on the LPS and on the draft safeguard instruments related to the proposed Project. Management commits to expanding consultations on the proposed Project's safeguard instruments, including the draft SESA-ESMF and the RPF.</td>
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<td>the consultation &quot;workshop&quot; for the proposed ASCCDP, as well as the instances in which individuals purporting to represent the World Bank have approached the Requesters and members of their family, also has caused psychological stress for the Requesters. The Requesters fear that this harm will continue under the ASCCDP project.</td>
<td>Access to information and consultations related to LPS. Management has been advised by the APCRDA that it has consulted extensively on various aspects of the development of Amaravati City as a whole and continues to do so. The APCRDA also conducts weekly grievance meetings. See Item 1 above for more detail. Management will work with the APCRDA to ensure that consultations continue to be free, fair and meaningful. It will also work with the APCRDA to establish a robust Project-level GRM.</td>
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<td>Consultations under the proposed Bank Project. The Bank team attended the public workshop on January 19, 2017 on the draft SESA-ESMF and draft RPF prepared under the proposed Project. The consultation workshop was attended by approximately 150 participants from the villages affected by the proposed Project. Participants consisted of landowners, landless people, farmer association representatives, and media, as well as 50 government officials and staff from the Bank and AIIB. A summary of documents in local language was distributed in the workshop. Landowners participated in the workshop and commented on the contents of the draft SESA-ESMF and draft RPF. Police were present during the workshop as a measure to maintain safety. Bank staff felt that the workshop was conducted in a free and fair manner, without police interference in the exchange of views. All participants were welcome to voice their opinions and provide feedback. Written feedback submissions were accepted starting from two weeks before and ending two weeks after the workshop. The minutes of the workshop are included in the draft RPF. The workshop was well covered in the local media. After clearance by the Bank, the draft RPF and SESA-ESMF will be re-disclosed and again consulted on following Bank policy. The SESA-ESMF and RPF are currently still drafts and subject to modifications. Management will work with the APCRDA to incorporate stakeholder feedback into the final versions of the SESA-ESMF and RPF.</td>
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<td>Communications and information channels under the proposed Project. The APCRDA has a multi-level grievance redress mechanism, beginning with the village’s land acquisition authority, through the district’s Joint Collector, who is the Project Administrator, to the state’s R&amp;R Commissioner. Management will work with the APCRDA to establish a Project-level GRM that includes members who are not associated with the Project to address complaints where Project-affected people considered that the existing grievance mechanism did not solve their issue.</td>
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<td>6.</td>
<td><strong>Loss of livelihood.</strong> As a result of the ASCCDP, the Requesters will be forced to either pool their land under the LPS or their land will be acquired by the State under the Land Acquisition Act. The Requesters fear that either option will result in the loss of their livelihoods. If the Requesters join the Land Pooling Scheme, the LPS does not provide adequate benefits to restore the Requesters' livelihoods, nor does it provide adequate legal guarantees to ensure that promised benefits will be delivered. LPS documents do not specify a period of time within which pooled land must be returned to LPS participants as developed plots. Further, the government has estimated that the Amaravati Capital City Project will take 35 years to complete, but the government only provides a ten-year annuity to LPS participants, agricultural laborers, and landless families. Thus, there may be a gap between when the annuity ends and when land is actually transferred back to participants. Furthermore, all these assumptions are based on the current Government ruling Andhra Pradesh. In case of any change in the government during 2019 elections, there is a risk that these benefits will not be realized, because the LPS has no legal basis. If the State acquires the Requesters' land under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Re-Settlement Act, 2013, #30 of 2013 (&quot;LA Act&quot;), the Requesters also will not receive compensation sufficient to restore their livelihoods or to purchase comparable replacement land. Under the LA Act, the State is obligated to compensate landowning farmers based on the market price of the land. However, the basic land values in the registration offices have not been revised for the last five years. As a result, the registration value of the Requesters' land and the land in 25 villages across three mandals is far lower than the market value. For example, after the CRDA issued an acquisition notification through newspaper publication on 22 July 2016 and through notice on 8 September 2016, the authorities awarded a price which amounted to 10 % of what the affected landowner believes the current market was.</td>
<td>Landowners will benefit from the development of the original agricultural land and its conversion into urban land, together with the additional benefits provided to LPS participants. <strong>Loss of livelihoods.</strong> Land pooling in AP is designed to compensate landowners for voluntarily giving up their land to contribute to development, in a manner that makes them beneficiaries of the increases in land value that result from urbanization. It is designed to account for any loss in livelihood and to bring direct benefits to those who participate. All landowners who have joined the LPS, in return for contributing part of their agricultural land, are entitled to: (i) smaller <em>returnable plots of urban land within the Amaravati City perimeter</em>: urban land is of significantly greater value than agricultural land; therefore, through the exchange of their rural plots for urban land, landowners are benefitting from one of the main advantages of urbanization, which is the increase in land value within urban areas; (ii) <em>annuity payment for a period of 10 years</em> – while land values increase, as the development of Amaravati City takes place, landowners who gave up land will receive annuities that have been estimated to compensate for their lost income; and (iii) <em>other benefits</em>, including waiver of agricultural loans, skill training, interest free loans for setting up enterprises, etc., which will further address the need of landowners to find alternative occupations after they have contributed their land to the LPS. Landless agricultural wage laborers under the LPS are also provided a monthly pension for 10 years. The other benefits to them include a waiver of agricultural loans, interest free loans for self-employment, access to skill development training, access to employment under an Employment Guarantee program, access to education and medical facilities. This will also be an area of special focus under the proposed Project and a separate sub-component is being designed to provide additional support to landless wage laborers and vulnerable groups in terms of job training / skill development, etc. <strong>Compensation under the LARR Act 2013.</strong> Landowners not participating in the LPS will be covered under the provisions of the LARR Act 2013, and their lands will be acquired through eminent domain. Compensation for lands lost – replacement value and livelihood support (annuity for 20 years or lump sum payment) – will be provided, as per the LARR Act 2013.</td>
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eminent domain with Bank policy, and identifies gaps and measures to address them. These measures would be implemented through site-specific RAPs, as and when investments are identified. The APCRDA has carried out an extensive information and consultation campaign to allow landowners to make an informed decision on their compensation option. This open process has resulted in over 30,000 landowners joining the LPS, while approximately 4,000 landowners have opted not to join.

The LARR Act 2013 acts as the “floor” with regard to compensation and other benefits since it is the default option for people who do not choose the LPS. In addition, the LARR Act 2013 provides for guideline (government reference rates) values to be benchmarked with the top 50 percent of market transactions for compensation award for lands, so that compensation adequately reflects the current market situation. The Requesters have full recourse to the Indian judicial system if it is felt that compensation is inadequate, in addition to the grievance mechanisms described in paragraph 16 of the Management Response.

At the request of the Government of India and outside of the context of the proposed Project, the Bank carried out a review of the LARR Act 2013 and found it to be largely consistent with its policy for involuntary resettlement. Gaps between the LARR Act 2013 and Bank policy have been identified regarding: (i) the valuation of structures with depreciated amount; (ii) cut-off date requirements for eligibility of certain categories of affected people such as those depending on the affected lands; and (iii) assistance to those affected using public lands (for example, squatters). The draft RPF addresses these gaps. For example, the draft RPF provides a mechanism to pay differential amounts by way of special assistance to landowners whose lands would be used for the proposed Project.

### Food insecurity:
Amaravati consists of rare multi-crop irrigated land that produces 120 types of crops, and Requesters are concerned that the ASCCDP will create food insecurity in the region. The potential for food insecurity as a result of the Amaravati capital city project was noted in the 2014 Report of the Expert Committee appointed by the Ministry of Home Affairs, Union of India to Study the Alternatives for a New Capital for the State of Andhra Pradesh, and the SESA-ESMF does not recognize that the primary use of the land in Amaravati is multi-crop irrigated land. Further, Andhra Pradesh has not complied with national legislation aimed to guarantee food security.

During consultations on the draft SESA-ESMF, stakeholders raised concerns about food security resulting from large-scale conversion of agricultural land to non-agricultural use. This issue was analyzed in the SESA-ESMF. It determined that the crops in the Amaravati City area are predominantly commercial crops that are not used for daily consumption by people. Transformation of agricultural land to urban land would, therefore, not significantly impact the production of food in the state.

Overall, the area of Amaravati City under cultivation amounts to 0.027 percent of the total area of the state under cultivation and 0.077 percent of paddy-sown area in the state. Further, the proposed Project is expected to require only about 5-10 percent of the total land within...
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<td>the Amaravati City area. The Government of AP has informed Management that it plans to promote the cultivation of more agricultural lands elsewhere in the state, opening new food sources directly for state residents. This is part of the Government's approach to address food security issues as part of overall land acquisition for the development of Amaravati City. Management understands from relevant government agencies that the state is a top producer of horticulture crops and the Government has taken steps to bring more land under horticulture by providing incentives to farmers. The state also has taken steps such as interlinking rivers to stabilize irrigation by providing a dependable source of water, which are leading to a substantial increase in crop productivity, including food crops. Management will ensure that the concerns raised by the Requesters are addressed in the final SESA-ESMF, to the extent they are relevant to the proposed Project. The compensation provided under the LARR Act 2013 reflects the agricultural use of the lands and will be commensurate with the replacement value of such agricultural lands being lost.</td>
<td>8. <strong>Environmental harms:</strong> Component 2 of the ASCCDP will affect the river Kondaveeti Vagu, and the fields adjacent to the riverbed are wetlands. However, the SESA-ESMF does not adequately address issues of wetlands, and APCRDA has not complied with national legislation designed to protect the wetlands. In 2015, the National Green Tribunal also issued an order that put a stay on construction in Amaravati due to unresolved environmental concerns. The draft SESA-ESMF considers, among other issues, potential Project impacts related to flooding, conservation of water bodies, and forest land, and identifies measures to mitigate any adverse impacts. Flood mitigation plans and designs related to Kondaveeti Vagu are currently undergoing detailed studies. The proposed Project includes a sub-component that addresses flood management along the Kondaveeti Vagu River and the surrounding wetland areas. This component, which is in a very early stage of preparation, is not part of the currently planned initial investment and the flood mitigation plans and designs related to Kondaveeti Vagu are currently undergoing detailed studies. Environmental impacts, such as those mentioned by the Requesters, are assessed in detail in a site-specific EIA. The Bank has only recently received the first draft of this specific EIA and is currently reviewing the report. The Bank will work closely with the APCRDA to ensure that the scope of the assessment is adequate, including the Kondaveeti Vagu River and surrounding wetland areas.</td>
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<td>The proposed Project is still under preparation; The framework approach reflects the early stage of planning as the proposed Project is not yet fully defined. Site-specific RAPs are being prepared for 10 specific roads, that would make up about 30 percent of the overall proposed investments.</td>
<td>OP/BP 4.12:</td>
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<td>Failure to require a resettlement plan. Bank management has used a Resettlement Policy Framework, rather than a full Resettlement Plan, for the ASCCDP. However, Bank documents suggest that the zone of impact of subprojects, and their siting alignments, can be determined. A detailed Master Plan</td>
<td>9. <strong>Failure to require a resettlement plan.</strong> Bank management has used a Resettlement Policy Framework, rather than a full Resettlement Plan, for the ASCCDP. However, Bank documents suggest that the zone of impact of subprojects, and their siting alignments, can be determined. A detailed Master Plan</td>
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### Proposed Amaravati Sustainable Capital City Development

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<td>and Infrastructure Master Plan are available for the city, and according to Bank documents, &quot;[a]II physical interventions related to these components will be situated on identified land parcels I stretches within the 217 sq.km. of Amaravati city.&quot; The PID/ISDS identifies specific sets of roads and associated infrastructure for Component I of the ASCCDP, and Component 2 will support flood mitigation for the Kondaveeti Vagu water canal, a sewerage system, and a solid waste management system.</td>
<td>Additional site-specific RAPs and other appropriate safeguard documentation would be prepared as preparation of the proposed Project advances. The RPF was developed at the beginning of Project preparation to identify the principles and process of compensation that would be used for land plots used by the Project, as and when investments are identified. Where possible locations for infrastructure that would be supported by the Project have been identified, site-specific ESMPs and RAPs are under preparation and expected to be consulted upon and finalized later this year, prior to appraisal. Stakeholder feedback received during consultations would be integrated into the final documents. The RPF notes that the compensation to be provided under the LARR Act 2013 for lands lost adequately provides for replacement value, as required under Bank policy. Regarding gaps in the LARR Act, see Item 6 above. The Bank has received the draft RPF from the APCRDA and has provided comments. The RPF will be finalized reflecting the Bank’s comments as well as concerns raised by the Requesters. After clearance by the Bank, the draft RPF will be re-disclosed and again consulted on following Bank policy. Project-supported investments would comply with site-specific RAPs, site-specific EIAs and site-specific ESMPs, and would include functional and accessible grievance redress mechanisms.</td>
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<td>10.</td>
<td><strong>Consultations.</strong> On December 26, 2015, the government released an English-language &quot;Draft Detailed Master Plan of Capital City Amaravati,&quot; which was open for public comment for a period of 30 days. This draft was not released in Telugu, the local language. The draft was made available online and also at four government offices for viewing on all working days during office hours. Objections/suggestions could be sent in writing to the Commissioner, or uploaded on the website.</td>
<td>The APCRDA organized multiple rounds of consultations with landowners on the draft Master Plan, prior to Bank engagement. The summary of the Master Plan was also circulated in the local language (Telugu). See also Item 1 on Consultations on the Master Plan.</td>
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<td>11.</td>
<td><strong>Failure to ensure meaningful consultation.</strong> A single consultation &quot;workshop&quot; on both the draft RPF and the draft SESA-ESMF, combined with the intimidating presence of police forces and an unclear and short fifteen-day time frame for the submission of written comments, does not constitute a meaningful consultation process under OP 4.12. When the Requesters raised concerns about the consultation process with Bank management, management responded that the process was &quot;conducted in a free and fair manner, except for a brief stoppage wherein a section of landowning farmers who are supportive of land pooling scheme tried to interrupt a speaker from criticizing land pooling related impacts. But the situation was quickly All of the proposed Project safeguard instruments are still under preparation. Additional consultations will be conducted as the framework instruments are finalized and the Project-specific plans are prepared. Management agrees that a more extensive program of consultation and information on the proposed Project needs to be carried out. The Bank team will work with the APCRDA to organize an extended consultation plan regarding the proposed Project in general and the Project safeguard documents in</td>
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As of May 10, 2017, a draft SESA-ESMF and RPF are available on the World Bank's website. Both documents state that they have been "revised pursuant to public consultation workshop." On 19 January 2017, the APCRDA held the only "public consultation workshop" on the ASCCDP, which covered both the 200-page SESA-ESMF and the 200-page RPF. Only 150 potentially affected people (out of an estimated 127,505 people affected by the Amaravati Capital City) attended this workshop on 19 January 2017. There was a presence of at least 40 police personnel, who intimidated stakeholders, and Requester# 1 and other landowning farmers were turned away forcefully. The draft SESA-ESMF and RPF also were made available for public comment on the CRDA website, which set a fifteen-day time window "from the date of this publication" for the submission of "suggestions and concerns." The CRDA only received five submissions.

Requesters have felt harassed, as opposed to consulted, by the assessors and purported World Bank staff. For example, on April 24, 2017, several individuals visited Requester #2's house. These individuals stated that they were representatives of the World Bank and asked about the reasons that Requester #2's family refused to participate in the LPS.
### Proposed Amaravati Sustainable Capital City Development

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|     | **Consultations in four villages in February 2017.** Some of the suggestions and concerns that emerged during these meetings included:**  
   (i) need for clear on-the-ground demarcation of land required in the village areas for infrastructure components;  
   (ii) issues related to land classification of non-registered houses;  
   (iii) requirement of sufficient time for reconstruction of alternative houses;  
   (iv) shifting alignment towards open lands to minimize physical displacement;  
   (v) impacts to certain common properties and to those residing on government lands, and treatment of partially impacted houses;  
   (vi) impacts to tenants or assigned landowners;  
   (vii) improved entitlements including valuation of assets under negotiated settlement;  
   (viii) improved employment in the region;  
   (ix) delays in receipt of pension amounts.  
   As part of these meetings, consultations were also held with landowners who had not joined the LPS. See Item 1. |                                                                                                                                           |
| 12  | **Independent implementation assessment.** The "independent implementation assessment" of the LPS still has not been completed, and information about the independent assessment has not been distributed in the Amaravati area. In October 2016, Requester# I was approached by two individuals who claimed that they had been appointed World Bank. Requesters contacted World Bank management in Delhi, and only at that time did the Requesters learn that an assessment was underway. Requesters also are concerned that the assessment is not being conducted in an independent manner. APCRDA is both the ASCCDP implementing agency and the agency that is responsible for managing the Land Pooling Scheme. APCRDA's role in selecting and managing the two assessors is not clear. Further, APCRDA has been accompanying the assessors to the villages, which is not compatible with an independent assessment process and negates the purpose of retaining third-party assessors. | **The APCRDA commissioned a third-party assessment of the LPS to identify any shortcomings that would need to be addressed during implementation. This study was carried out by consultants not associated with LPS implementation.**  
   The third-party Assessment of the LPS was commissioned by the APCRDA. Consultants were selected by APCRDA though invitation of bids from a short list of institutions/agencies having expertise in land management. The selected consultants that ultimately carried out the study are not associated with the implementation of the LPS, so as to bring an independent perspective to the study. Management has received a draft of the assessment and will provide comments to the APCRDA. After finalization of the report, Management will work with the APCRDA to identify and implement measures which address issues raised in the report related to the proposed Project, as part of the final RPF and of site-specific RAPs. |
| 13  | **Failure to accurately assess the nature and magnitude of project-related displacement and to adequately ensure that use of land previously acquired through the LPS complies with OP 4.12.** The PID/ISDS states that the "Land Pooling Scheme (LPS) is substantially completed." However, as described in paragraph 16 [of the request], the LPS is not "substantially completed," and the legal steps necessary to complete the process have not yet occurred. This inaccurate assessment has led to the incorrect Bank determination that a "due diligence" approach consisting of an independent implementation assessment of LPS Scheme to assess its implementation outcomes to date, | **Third-Party Assessment of LPS.** See Item 4 above.                                                                                         |
hear the reactions of those who have participated in LPS and identify measures required to strengthen its implementation process during the remaining implementation period as applicable to sub-projects" is the appropriate method to evaluate the LPS. This approach is not adequate to assess the compliance of the LPS with OP 4.12. Further, the Bank has not taken steps to ensure that this "independent implementation assessment" is being conducted independently, nor has it established an independent advisory panel on resettlement for the ASCCDP, as recommended under OP 4.12 for projects that are highly risky or contentious.

14. **Inconsistency with the objectives of OP 4.12**: Bank management has not taken steps to avoid or minimize involuntary resettlement and has instead responded to concerns about involuntary resettlement by stating that individuals affected by the ASCCDP have two options: "you may opt to participate in the Land Pooling Scheme (LPS) or under Land Acquisition (LA)." The compensation and the limited annuities for the transition period provided by both the LPS and the LA Act do not "provide (e) sufficient investment resources to enable the persons displaced by the project to share in project benefits." Lastly, the Bank’s due diligence approach to the LPS does not incorporate measures to restore the livelihoods of landowning farmers, assignees, agricultural laborers, and vulnerable groups who the LPS already has affected, and who will only receive annuities for ten years under the rules of the LPS.

**Land pooling is an approach used to minimize resettlement and maximize benefits to those whose land is acquired. The draft RPF analyzes the compliance of the Government of AP’s approach to land acquisition through land pooling, negotiated settlements, and eminent domain with Bank policy, and identifies gaps and measures to address them.**

Management remains committed to ensuring that potential impacts of the proposed Project on livelihoods and resettlement, among others, are appropriately assessed, and that any identified impacts are managed in accordance with Bank policy. Management will confirm that the proposed Project complies with Bank policy before deciding whether to move forward with Bank support.

**Involuntary resettlement.** The APCRDA has noted that, as an outcome of extensive (over 100) consultations on the Amaravati Master Plan (prepared with the support of the Government of Singapore) and the LPS, physical displacement has been minimized. For example, in response to stakeholder feedback, the LPS excluded residential areas within villages, which enabled over 100,000 villagers to remain within Amaravati City boundaries without displacement. Landowners who have not joined LPS will have their land acquired under eminent domain and will therefore be subject to involuntary resettlement. Any involuntary resettlement under the proposed Project would be subject to Bank policies and this is outlined in the draft RPF.

**Consistency with OP 4.12.** The proposed Project introduces an innovative approach specifically designed to ensure that those who are displaced by Project activities also directly share in Project benefits. Landowners are not just being compensated in the ordinary way; they are going to share in the increased

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5 In this regard, see Attachment 12 and Management's response to Requesters' concerns.

6 OP 4.12. para. 2(b).
Proposed Amaravati Sustainable Capital City Development

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<td>15</td>
<td><strong>OP/BP 4.01:</strong> Failure to ensure meaningful consultation:</td>
<td><strong>Management will work with APCRDA to re-disclose and consult on drafts of the SESA-ESMF and the RPF after comments from the Bank have been incorporated by the APCRDA.</strong> For details, see Item 5.</td>
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<td>As a result of the lack of a meaningful consultation process (described in paragraph 31), the Requesters' concerns were not incorporated into the revised SESA-ESMF for the project, and Requesters face the potential harms described in Section III.</td>
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| 16  | **Compliance of the draft revised SESA-ESMF and RPF with OP 4.12 and OP 4.01.** Proposed compensation does not cover replacement cost. The revised RPF sets an amount of compensation that does not meet OP 4.12’s standard of replacement cost. As described in paragraph 26, the RPF’s process for valuation of land to be acquired is based on values that have not been revised in five years. Requesters submit that valuation under the LA Act should be based on the market value of transactions that have taken place in a fair and transparent manner over the last three years. Specifically, the market value should be multiplied by at least a factor of two, and 80% of the land to be paid at market value and as per first schedule, and return 20% of the developed land in par with the offer under LPS. | **The draft RPF has been reviewed by the Bank and will be finalized by the APCRDA reflecting the Bank’s comments as well as concerns raised by the Requesters. Management will work with APCRDA to address concerns such as those raised by the Requesters, in the RPF, as appropriate.**
The RPF notes that the compensation to be provided under the LARR Act 2013 for lands lost adequately provides for replacement value, as required under Bank policy.

The LARR Act 2013 has a provision offering 20 percent of lands acquired for urbanization on payment of cost of development. Management understands from the Government of AP that this option is available to the affected people, provided they agree to pay the development cost of the land.

Further elaboration is also provided in responses to Items 1 and 6. |
| 17  | Lack of analysis of project alternatives: The SESA-ESMF states only that there will be an analysis of project alternatives for future sub-projects, rather than an analysis of alternatives to the Amaravati Capital City project. In this regard, there is a detailed report produced in 2014 by an expert that proposes alternative designs for the city, including the decentralization of governance by locating government offices at regional centers. | **Alternatives to the location of Amaravati City are outside Management’s purview. Alternatives to Bank-financed components are assessed in the SESA-ESMF.**

The selection of the location of Amaravati City is a sovereign decision and was taken by the Government of AP, before the Bank had engaged in the proposed Project. The site for Amaravati City was strategically selected by the Government of AP in late 2014, based on the area’s historical significance and its economic potential, specifically a strong network of transport |
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<td><strong>infrastructure, proximity to several major economic centers, good access to a skilled labor workforce and water to cater to a growing urban population.</strong> The proposed scope of the Project is limited to some interventions within Amaravati City; as such, the SESA-ESMF’s assessment of alternatives does not include an analysis of potential alternatives for the location of Amaravati City itself, but rather is limited to alternatives to the specific interventions that could be financed under the proposed Project.</td>
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<td>18.</td>
<td><strong>Inadequate identification of environmental issues:</strong> The revised SESA-ESMF states that “the ecological profile consists of agricultural areas, wetlands/water bodies (irrigation ponds and rivulets), rocky outcrops and riparian/riverine zone along the River Krishna. There are no ecologically sensitive areas present in the Amaravati Capital City area. However, the study identified the following 'hotspots': wetlands, rocky outcrops, and, riparian zone of River Krishna.” However, the SESA-ESMF does not include the recommendations made in the main EIA-EMP for Amaravati, which makes a number of recommendations related to water bodies, wetlands, and the River Krishna.</td>
<td><strong>Management is currently reviewing the draft SESA-ESMF. Site-specific EIAs would be conducted as investments are identified.</strong> The provisions under the SESA-ESMF are over and above the mandatory environmental clearance conditions stipulated under national environmental laws. The APCRDA is expected to comply with national environmental laws in any case when Project components are designed and their EIAs are prepared. Hence, it will take into account the recommendations made in its EIA-EMP. The draft SESA-ESMF considers, among other issues, potential Project impacts related to flooding, conservation of water bodies, and forest land and identifies measures to mitigate any adverse impacts. Investments under the proposed Project would comply with site-specific RAPs, site-specific EIAs and site-specific ESMPs. Management is currently reviewing the draft SESA-ESMF and site-specific safeguard documentation and will provide comments to the APCRDA before documents are finalized. Management will ensure that the concerns raised by the Requesters are addressed in the final documents, to the extent they are relevant to the proposed Project. Stakeholder concerns will be further integrated as safeguard documents are finalized. Management will work with the APCRDA to address in the final SESA-ESMF specific stakeholder concerns, such as those raised by the Requesters, as appropriate. Stakeholder opinions and concerns heard through the consultation process described in Item 12 have been addressed in a variety of ways, described in Item 16. Consultation feedback is also being considered as the RPF is finalized and site-specific RAPs related to sub-components are prepared. The census of Project-affected people under the proposed Project is ongoing as part of the RAP preparation for the 10 roads. Additional consultations will be carried out as part of</td>
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**Requested Measures.** The Requesters request that the Inspection Panel conduct an investigation into the policy violations described above and find that World Bank management must take steps to rectify these violations and resolve Requesters' concerns. Such steps would include, but are not limited to:

- Delay the World Bank's process of appraisal and convene a panel of independent experts to oversee the ASCCP and ensure that it is implemented in accordance with World Bank policies and procedures.
- Revise the Bank's approach to conducting due diligence on the LPS. The Bank should approve terms of reference for a truly independent analysis of the LPS that identifies steps needed to remedy past noncompliance with OP 4.12 and ensure future compliance with OP 4.12., including legal guarantees for participants in the LPS.
- Ensure that the process of land acquisition complies with World Bank policies and with national legislation, and ensure that the final environmental and social documentation for the project incorporates Requesters' concerns.
- Ensure that future consultation processes are conducted in a free, fair, and meaningful manner.

**Management is of the view that, to date, the preparation of the proposed Project has followed Bank policy requirements.** However, Management views the Request for Inspection as an opportunity to review and consider the views and concerns of the Requesters.

**Management has agreed on an action plan with the Borrower that aims to address concerns raised in the Request.** The actions detailed below will be undertaken during Project preparation, to address these concerns.

**Community engagement and monitoring to address coercion and other implementation issues.** Given the complex nature of land acquisition and its potential impacts on the proposed Project, the Bank will work with the APCRDA to establish a citizen advisory committee, consisting of recognized members of the community as well as external experts, to serve as an advisory panel to the APCRDA and to inform the implementation of the proposed Project and the mitigation of any potential adverse impacts of the proposed Project. Further, Management will:

- Convey to the Government that proactive and open stakeholder engagement, free from coercion, is a prerequisite for Bank support for a project, and that Management expects stakeholder input to be taken into account in project design;
- Engage an independent local party to carry out interviews and consultations in local villages to obtain additional information on any potential coercion;
- Engage independent local professionals to visit the affected villages frequently to monitor the concerns of Project-affected people and to bring these to the attention of the Bank and the APCRDA;
- Increase the frequency of preparation and supervision missions, during which the Bank will proactively reach out to stakeholders to maximize their opportunities to interact with Bank staff on implementation issues in general, and potential instances of coercion in particular;
- Work with the APCRDA to establish a robust project-level grievance redress mechanism to collect stakeholder input and complaints during preparation and implementation of the proposed Project.
Project preparation. Management is committed to continued strong and robust preparation of the proposed Project and to finalization, by the time of the Decision Meeting, of the following documents, including stakeholder consultation on them:

- The RPF with an analysis of the land acquisition process under the proposed Project, including the LPS, negotiated settlement and eminent domain, and an assessment of related risks and impacts and how these would be managed;

- The SESA-ESMF, including an assessment of the proposed investments under the proposed Project within Amaravati City, the related environmental and social risks and impacts and how these would be addressed under the proposed Project;

- A plan for ongoing consultation and grievance redress/citizen engagement, with clear feedback mechanisms to be implemented as part of the Project (including indicators in the results framework);

- An enhanced communication strategy for the Project and safeguard aspects.

Policy compliance. To ensure that the proposed Project continues to comply with Bank policy, Management will:

- Work with the APCRDA to address any gaps between Bank policy and the LARR Act 2013 as well as the LPS, as appropriate, in the final RPF;

- Agree with the APCRDA on how the recommendations in the final third-party assessment report of the LPS, as well as additional comments the Bank may have, would be implemented and reflected in safeguard and other Project documents, as appropriate;

- Agree with the APCRDA on ways to add livelihood support measures for Project-affected landowners and landless wage laborers, including skill upgrading of vulnerable groups;

- Work with the APCRDA to address in the final SESA-ESMF specific stakeholder concerns, such as those raised by the Requesters, as appropriate.

Consultation and information. The proposed Project would benefit from an enhanced consultation and
stakeholder engagement approach. Therefore, Management will:

- Work with the APCRDA to expand consultations on Project safeguard documents as they are being finalized, including the SESA-ESMF, RPF, site-specific RAPs, site-specific EIAs and site-specific ESMPs. This includes focus group consultations with various affected categories of people, such as small and marginal-scale farmers, agricultural laborers, women, and displaced populations. It will also include a stakeholder workshop to introduce and discuss the finalized safeguard documents, how they address stakeholder concerns, and how key safeguard issues are managed (for example, compensation and social development and skill upgrading schemes);

- Work with the APCRDA to address, as relevant, the concerns raised by the Requesters and other stakeholders regarding land acquisition and potential environmental impacts in the final drafts of the SESA-ESMF and RPF, and to re-disclose and consult on the final drafts;

- Work with the APCRDA to ensure that consultations continue to be free, fair and meaningful.

**Grievance redress.** Management recognizes that strong grievance mechanisms are needed at project level to ensure that the concerns of people affected by projects are heard and addressed appropriately. Management will:

- Work with the APCRDA to establish a Project-level GRM that includes members who are not associated with the Project to address complaints where Project-affected people considered that the existing grievance mechanism did not solve their issue.

- Engage with landowners, whose land plots are to be used for the proposed Project, to explore solutions and improvements in environmental and social risk management, within the mandate of the Bank’s safeguard policies.

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Annex 2. Letter of Support to the LPS

To
Mrs Sona Thakur,
Senior Social Development Expert
Amaravati Sustainable Capital City Development Project
The World Bank,
Hindustan Times Building,
New Delhi.

Dear Mrs Sona Thakur ji,

Subject: World Bank Support to Amaravati, Request for fast tracking the process and safeguarding the interests of the LPS farmers of the Capital City - reg.

Greetings from Amaravati!!!

Kindly recall the multiple discussions we had during your previous missions to Amaravati regarding the Capital City Development Project and World Bank assistance.

We have provided a detailed account of the enthusiasm, intent and passion of the members of the farmers community, cutting across cast, creed and religion and financial status, in our interactions with you and your team. We convey our gratitude for the time and patient hearing given to us in spite of your busy schedules.
We understand from the media articles as well as the documents available in the public domain that persons with vested interests having insignificant stakes in the Bank funded project area are attempting to derail the process of financial assistance by miscommunicating and providing misleading information. We are sure that the Bank officials had already personally examined the ground realities which indicate that the facts are otherwise.

You are probably aware that the returnable plot allotment has concluded in 22 out of 24 villages for over 50000 plots in a fair and transparent manner in the presence of pooling farmers and other stakeholders. It is a matter of pride for all of us that the entire process has concluded without any dissent or disturbance. This shows the willingness and commitment of the LPS community for the development of the Capital City.

We would also like to bring to your attention that our Organisation, ‘Amaravati Rajadhani Sameekarana Raithu Samakya’ (Federation of Amaravati Capital Land Pooling Farmers) represents more than 12000 individual members across all the 24 villages of the Capital City and along with their family members, represent over 70% of the total LPS community. In addition, together with another like minded association of LPS, we represent 98% of the total private land ownership of the Capital City. This is to bring the fact that those who are attempting to create misrepresentation are a miniscule of the remaining 2% of the farmers.

In conclusion, we request you to carefully examine the above facts on merit and expedite and fast track the World Bank assistance to ensure that the projects are grounded as soon as possible.

Thanking you,

(Dr. Madala Srinivas)
President
Ph: 98499 11139; 99404 44000

Encl: Certificate of Registration of our federation
Annex 3. Writ Petition and Supreme Court Judgement

Exhibit 5: Relevant Extracts of grounds from the Writ Petition WP No 632/2016 filed before Hon’ble Supreme Court of India

“....

3. GROUNDS:

That the present Writ Petition is being filed on following amongst other grounds without prejudice to each other:

A. Because in the name of voluntary pooling of land, the State authorities have adopted every coercive measure to ensure that even those farmers who are not willing to be part of the Land Pooling Scheme, surrender their land to the authorities.

E. Because the decision of the State Government to get hold of land by floating the Land Pooling Scheme is nothing but to evade the rigours of the newly enacted Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and thereby depriving the right of the farmers to get fair compensation and resettlement.

F. Because in the name of the voluntary land pooling scheme, the concerned authorities are taking recourse to every trick to deprive the farmers and landless labourers of their livelihood, even by using force and coercion against such people who refuse to fall in line.

G. Because the State Government proposes to acquire about one lakh acres of land along the banks of River Krishna without there being any justification for the same, given the fertility of land. It is submitted that the acquisition/surrender of such a large stretch of land poses serious threat to the food security of the country as a whole and affects the environment in river Krishna catchment area.

H. Because in the whole process, the State Government is discriminating between the land owners and the Dalits who have acquired rights over the land by way of assignment or grant. It is submitted that large chunk of the agricultural land in this region are being cultivated by the tenant farmers.
I. Because there is complete opaqueness in so far as the process of land pooling scheme and the future benefits that may accrue to the land owners. The whole scheme is quite speculative in nature and far from the reality.

J. Because thousands of farmers/labourers are opposing the land pooling method adopted by State Government and as such the State machineries are being used to create panic among people in order to ensure that neither public opinion is formed against the ill conceived scheme nor any serious protest/ agitation takes place, which is against the ethos of our Constitution.

K. Because more than one lakh agricultural labourers earn their livelihood given the fertility of land and once this area becomes commercial or non agricultural, such landless labourers are bound to face serious livelihood problems. Most of the agricultural workers hails from the weaker sections of society i.e. Dalits, O.B.Cs, tribals and women.

That the quantum of money involved in developing the 8460 sq kms large scale city creates several doubts. Lakhs of crores of rupees of public money and private investment are stated to be pumped in the biggest Green Field New Capital building process. Hence, there is lack of transparency on whole process right from identifying, acquiring the land, disbursement of package to farmers and affected people, construction of structures and allotment of development of costly land.

L. Because the Environment Clearance accorded by State Environment Impact Assessment Authority is under challenge before the Hon’ble National Green Tribunal.
Exhibit 6: Judgment of The Hon’ble Supreme Court in the above matter WP 632/2016 dated 21.08.2016

ITEM NO.22  COURT NO.1  SECTION PIL (M)
SUPREME COURT OF INDIA
RECORD OF PROCEEDINGS
Writ Petition(s)(Civil) No(s). 632/2016

A.R.K. PRASAD & ORS.  Petitioner(s)

VERSUS
UNION OF INDIA & ORS.  Respondent(s)

With I.A.No.1 - Appln. For permission to file addl. Documents.
Date : 12/08/2016 This petition was called on for hearing today.

CORAM :
HON’BLR THE CHIEF JUSTICE
HON’BLR MR. JUSTICE A.M. KHANWILKAR
HON’BLR DR. JUSTICE D.Y. CHANDRACHUD

For Petitioner(s)  Mr. Aruneshwar Gupta, Adv.
Mr. B. Mahesh Babu, Adv.
Mr. Suvan Kumar, Adv.

For Respondent(s)

UPON hearing the counsel the Court made the following
ORDER

Heard.
We do not see any merit in this writ petition, which is hereby
dismissed.
Applications, if any, shall also stand disposed of.

(REHADIR SINGH)  (VENNA KHERA)
COURT MASTER  COURT MASTER
Annex 4. Local Media Coverage on the Consultation Workshop
Paper Clippings of Public Notice regarding Disclosure of ESMF and RPF on 31st December 2016 in Andhra Jyoti (Telugu) and The Hindu (English)

Public Notice regarding workshop held on 19th January 2017
Public Notice in English Daily Newspaper, Deccan Chronicle Dt. 17-01-2017
Deccan Chronicle on 17-01-2017

PUBLIC NOTICE


In this regard, concerned experts are invited to participate in the above workshop for consultation and detailed discussions on the above mentioned draft documents. The suggestions / concerns raised in the workshop will be incorporated in these documents for effective and impactless implementation of the projects with the support of World Bank. For details, please visit our website: www.crda.ap.gov.in

Sd/-
Commissioner, APCRDA
ANDHRA PRADESH CAPITAL REGION DEVELOPMENT AUTHORITY
Lenin Center, Governorpet, Vijayawada-520002 (A.P.)
Ph: 0866-2577475, Website: www.crda.ap.gov.in

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Sd/-
Commissioner, APCRDA

Tue, 17 January 2017
epaper.sakshi.com//c/16149892
Print media coverage on workshop held on 19th January 2017
Newspaper Clippings on the SESA-ESMF & RPF Documents
భారత పాలనలో ప్రశంసలు కట్టడు

భారతదేశంలో ప్రభావాగా ఉన్న ప్రశాసనానికి ప్రశంసలు కట్టడం గమనించడానికి, భారతదేశం ప్రాముఖ్యత మిగిలిన ప్రాంతాల వైపు విస్తరించడం మూలభిందుగా ఉంది. భారతదేశం ప్రాముఖ్యత విస్తరించడం మూలభిందుగా ఉంది.

భారతదేశం ప్రాంతాల వైపు విస్తరించడానికి ప్రశాసనానికి ప్రశంసలు కట్టడం గమనించడానికి, భారతదేశం ప్రాముఖ్యత మిగిలిన ప్రాంతాల వైపు విస్తరించడం మూలభిందుగా ఉంది. భారతదేశం ప్రాంతాల వైపు విస్తరించడం మూలభిందుగా ఉంది.

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ఇతిహాస ప్రస్తుతించంచారు!

(ఇతిహాసం కంటే) ఈ రోజు నాటికి నిరీక్షించడానికి. మొదటివంతం నాటి ప్రదేశం తెలంగాణ రాష్ట్రంలో ఉంది. ఇది ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది. తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది. తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది. తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది.

కేంద్ర ప్రాంతాల లో వివిధ ప్రదేశాలు ప్రదేశాలు వైపు వివిధ ప్రదేశాలు వైపు. ఇది తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది. తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది. తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది.

అయితే, ఇతిహాసం ప్రస్తుతించంచారు!

ఎక్కడ ఈ ప్రతిభ ప్రదేశాల పరిస్థితి పరించింది. ఇది తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది. తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది. తెలంగాణ రాష్ట్రంలో ప్రాచీన కాలంలో నిరీక్షించడానికి కొనసాగింది.
Proposed Amaravati Sustainable Capital City Development

1. మనం సాంకేతిక శక్తి కలిగే సంచార పరిస్థితిలో మనం నిర్ధారించిన కష్టం మాత్రమే.
2. సాన్నిపాలం కలిగి నిర్ధారించిన కష్టం మాత్రమే నిర్ధారించిన కష్టం మాత్రమే.
3. కేంద్రంలో ప్రంతాపరిశ్రమ చట్టం కలిగి నిర్ధారించిన కష్టం మాత్రమే.
4. ఫొటో సంస్థలు 200 వందల కలిగి నిర్ధారించిన కష్టం మాత్రమే.
5. రాష్ట్రానికి సమాధానం కలిగి నిర్ధారించిన కష్టం మాత్రమే.
6. సాధనాం ప్రధానించిన అంధ్రా రాష్ట్రానికి సమాధానం కలిగి నిర్ధారించిన కష్టం మాత్రమే.

అధికారులు, కేంద్రంలో: ప్రధానించిన అంధ్రా రాష్ట్రానికి సమాధానం కలిగి నిర్ధారించిన కష్టం మాత్రమే. రాష్ట్రానికి సమాధానం కలిగి నిర్ధారించిన కష్టం మాత్రమే.

చిత్రానికి సమాధానం కలిగి నిర్ధారించిన కష్టం మాత్రమే.

ప్రధానించిన అంధ్రా రాష్ట్రానికి సమాధానం కలిగి నిర్ధారించిన కష్టం మాత్రమే.

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మ్యూసియం సెంటర్ లో వారికి హానీ ఉండగాయా నించండి?

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