

World Bank's Probe on Amaravati

Why in news?

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World Bank panel seeks 6 months to decide whether a probe is required or not in Amaravati plan.

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What is Amaravati?

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- Amaravati, is the proposed capital of Andhra Pradesh, it is envisioned to be a city of world-class standards.

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- The planned city is located on the southern banks of the Krishna River in Guntur district.

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- The word "Amaravati" derives its name from the historical Amaravathi Temple town, the ancient capital of the Telugu Rulers of the Satavahana dynasty

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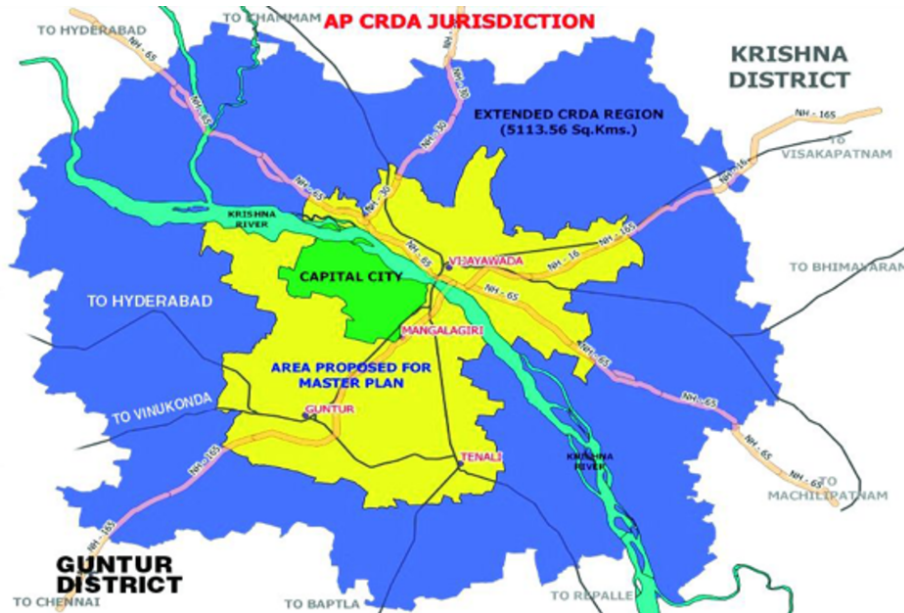
- The Andhra Pradesh Capital Region Development Authority (APCRDA) is the body which runs the project.

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- The Land Pooling scheme was adopted by CRDA which is consider to be the largest and the most successful of its kind in India.

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What is the financing mechanism for this project?

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- The AP government is expecting \$300-million loan from the World Bank for Amaravati Sustainable Capital City Development.
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- The total financing for the project is \$715 million, of which the World Bank lending is proposed to be \$300 million.
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- Which is through an IBRD (International Bank for Reconstruction and Development) investment project financing loan.
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- The State government has so far pooled over 33,000 acres from farmers for construction of the new capital under different categories of agreements.
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- The Bank's financing is planned to be used within the 217 sq km area designated for the development of Amaravati Capital City.

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What is the probe about?

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- Farmers of the region complained to the World Bank in September this year, who alleged that they were forced to part with their land.

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- They also claimed harm from a land pooling scheme (LPS) being implemented to assemble the land required for the city, as well as from other project activities.
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- Due to this complaints World Bank inspection panel, had recommended a probe into the charges of forcible land pooling against the Andhra Pradesh government.
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- It recommended an investigation into the alleged issues of harm and related potential noncompliance with bank policies, especially relating to involuntary resettlement.
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- Now it has sought six months' time to decide if a probe is required or not.
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- The decision deferred based on the discussion with panel and the proposed actions.
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Source: Business Line, Business standard

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