



**ASIAN INFRASTRUCTURE
INVESTMENT BANK**

Project Number:

000063

Project Summary Information (PSI)

Project Name	Andhra Pradesh Rural Roads Project
Country	Republic of India
Sector	Transport
Project No	000063
Borrower	Republic of India
Implementation Agency	Panchayat Raj Engineering Department (PRED) Government of Andhra Pradesh
Environmental and Social	Category B
Date of PSI preparation or update	Oct. 9, 2018
Date of Concept Approval	April 10, 2018
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Date of Board Approval	Sep. 28, 2018

I. Introduction

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

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

Development of a rural roads network, therefore, is one of the key priorities of the Government of India (GoI). To address this problem, GoI established in 2000, the Prime Minister's national

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

² World Development Indicators database, World Bank, December 2017

³ Poverty and Equity Data, World Bank

⁴ India's poverty profile, World Bank

level Rural Roads Program (PMGSY⁵) to provide all-weather road connectivity to unserved habitations⁶ in rural areas.

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

A.P Road Network. A.P has about 133,000 km of roads. The road network is broadly divided into three categories as (i) Primary Roads comprising National Highways, (ii) Secondary Roads comprising State Highways and Major District Roads, and (iii) Rural Roads comprising Other District Roads and Village Roads. The rural road network constitutes around 60% of the total road network.

A.P has around 47,745 habitations. PMGSY intends to cover, in phases, only those habitations with a population of over 500 in plains and over 250 in hilly and tribal areas. After the completion of PMGSY in A.P and the state level projects that are under implementation, it is estimated that about 10,605 habitations, with a total population of about 3 million, will be without all-weather road access. GoAP, therefore, has decided to launch the A.P Rural Roads Project to connect some 3,300 habitations with a population of more than 250, benefitting around 2 million people.

II. Project Objective and Expected Results

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

III. Project Description

The project consists of the following components:

Component 1: Construction of new connectivity consisting of

- (i) Construction of about 2,350 km of bitumen paved roads in the locations with normal soil;
- (ii) Construction of about 2,450 km of cement concrete paved roads, in the locations with soft soil; and
- (iii) Construction of bridges and hydraulic structures (culverts and drainage channels), including 18 major bridges, to increase connectivity of the roads during the monsoon season.

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

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

⁷ Census Organization of India

Component 2: Technical Assistance consisting of

- (i) Engagement of a Project Management Consultant firm (PMC) (and individual consultants, as needed) to assist in managing the project, including planning, implementation supervision, monitoring and reporting progress of the project to the counterpart and to the Bank;
- (ii) Engagement of a consulting firm to conduct Technical Reviews/ Audit of the project, to review all activities of the project implementation, and propose measures / actions leading to possible enhancement of the project implementation and its quality and quantity control;
- (iii) Engagement of a consulting firm to monitor implementation of Environmental and Social Management Plan and other actions defined during the project preparation;
- (iv) A pilot project using modern technology, for example, using drones to monitor construction of roads during the project implementation, covering a limited geographical area;
- (v) Development of a digitized map of A.P's rural roads network and connection to a geographic information system (GIS) for real-time communication, which will be used to provide real time updates of the works progress during construction and post contract phase; and
- (vi) Institutional development and capacity building of PRED through trainings, workshops and study tours in overseas locations in the areas of transport planning and management, contract law and contract models, economic analysis and environmental engineering

IV. Environmental and Social

The Project has been assigned **Category "B,"** in accordance with the Bank's Environmental and Social Policy (ESP) and Environmental and Social Standards (ESS). The anticipated environmental and social risks and impacts of the Project are limited, temporary in nature and reversible. According to the Bank's ESP, the Environmental and Social Standard (ESS) 1: Environmental and Social Assessment and Management will be applicable. ESS 2: Involuntary Resettlement will not be applicable as the possibilities of land acquisition or displacement are not envisaged⁸. ESS 3: Indigenous Peoples will be applicable as the project will be implemented in areas inhabited by Scheduled Tribe⁹ populations.

The environmental and social impacts of Project construction activities have been assessed, and, an Environmental and Social Management Framework (ESMF) has been prepared. Though land acquisition and displacements are not envisaged, a Resettlement Policy Framework (RPF) has been prepared to address the need for removal of encroachments/ temporary disruptions of informal commercial activities and compensation measures for structures that may be encountered in the right of way. A Tribal Population Planning

⁸ Average length of each road work is anticipated to be between 1 and 2 km, mostly village approach roads and link roads; the construction works involves strong community involvement and most decisions are taken in formal & informal meetings of the Local Self Government (LSG) groups. Hence impacts on communities are anticipated to be addressed in the LSG meetings. The LSG groups are known as Gram Sabhas in the local language.

⁹ Scheduled Tribes are one of the officially designated groups of historically disadvantaged Indigenous Peoples. The term Scheduled Tribe is recognized in the Constitution of India

Framework (TPPF) has been prepared to address special approaches to project planning and management in the areas where the Scheduled Tribes are living.

The ESMF has also provided for a project-level Grievance Redress Mechanism (GRM) involving the community and stakeholders that will be implemented with the support of the Implementation Agency and its performance will be monitored by the Bank. In the ESMF, special attention has been given to impacts on and opportunities for women.

ESMF (including the executive summary in Telugu, the local language), TPPF and RPF have been disclosed in PRED's website and the Bank's website. The documents can be consulted at <https://www.aiib.org/en/projects/proposed/2018/andhra-pradesh-rural-roads.html> <http://pred.gov.in/Downloads/Tenders/AP%20PRED%20AIIB%20ESMPF%20Final%20Report%20July%202018.pdf>, http://pred.gov.in/Downloads/Tenders/AP_PRED_AIIB_TPPF_Final_Report_July_2018.pdf, <http://pred.gov.in/Downloads/Tenders/AP%20PRED%20AIIB%20RPF%20Final%20Report%20July%202018.pdf> and <http://pred.gov.in/Downloads/Tenders/AP%20PRED%20AIIB%20ESMPF%20Executive%20Summary%20Telugu%20July%202018.pdf>

V. Estimated Project Cost and Financing Source (USD million)

The Project cost is estimated to be USD 666 million. The financing sources are as follows:

For Loans/Credits/Others	Amount in USD million
AIIB Loan	455
Government of Andhra Pradesh	211
Total	666

VI. Implementation

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

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

Proposed project implementation period (Start Date - End Date): November 2018 – October 2023.

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