What’s Simmering Under The Blue Green City

Amaravati Sustainable Capital City Development

After bifurcation of the erstwhile Indian state of Andhra Pradesh in June 2014, both the new states of Telangana and Andhra Pradesh are sharing the Hyderabad as capital for 10 years. Chief Minister of Andhra Pradesh Chandrababu Naidu announced in September 2014 that a single capital Amaravati would be built near Guntur and Vijayawada on the banks of River Krishna based on a master plan prepared by Singapore’s Surbana Jurong Pte Ltd. This region comprising of Vijayawada, Guntur, Tenali and Mangalagiri also called the ‘food bowl’ of the southern Krishna floodplains is one of the most fertile agrarian strips in the country.

Amaravati will be the India’s first planned capital to build up from scratch in the recent decades. The core of Amaravati will be built on 33,000 acres of land owned by individual farmers between Vijayawada and Thullur along the banks of the Krishna River. When the project was announced, the proposed area in which the new mega-city would be constructed consisted of 25 villages and had a total population of 97,960.\(^1\) 70% of the 217 square kilometers to be used for the city consisted of agricultural land and fruit and flower plantations.\(^2\)

The total cost of the project is US$715 million, out of which the Government of Andhra Pradesh is putting in US$215 million. Additionally, World Bank will put US$300 million and AIIB US$200 million in the project. The project is an environmental category A project for both World Bank and AIIB since, it has huge social and environmental implications.

**Social Concerns:**

*The land pooling scheme (LPS) and its impacts:* In September 2014, the Andhra Pradesh government had announced that a new river-front capital city for the bifurcated state would come up in the well accessible region between Vijayawada and Guntur. In December 2014, the government came up with a Land Pooling Scheme (LPS) and offered compensatory packages to those farmers and landowners in the capital city region if they participated in the scheme. Through the Andhra Pradesh Capital Region Development Authority (APCRDA) Act, 2014, the government claims to have collected at least 33,000 acres of land from over 29 villages in the identified region to build its ‘world-class’ state capital. The government maintains that this land was offered voluntarily by individual farmers.

*The not so voluntary Land pooling:* Although the government classifies the scheme as voluntary, many 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 farmers’ land; and harassment and intimidation of farmers that expressed opposition to the LPS.

The APCRDA is solely comprised of businessmen and that there is a total lack of transparency and representation of the real stakeholders in the decision-making.\(^3\)

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2. *Id.* at p. 153.
Loss of livelihood: An overwhelming number of agricultural workers in the Amravati capital city region do not own land. Of the 41,000 families dependent on agriculture, only around 12,000 families own land in the capital city area. Of the remaining 29,000 families, 11,000 were recommended for becoming beneficiaries for a government pension programme. That leaves 18,000 families in the lurch.4 People are still not sure whether they are on the list for compensation. Only around 2,500 families have received the first round of compensation. Even those 11,000 beneficiary families will get a significantly different package from those who own land. Even though the government is planning to provide reskilling to people affected, it is unrealistic for people to learn a new skill in three-month courses, leaving the employability chances minimal.

The government plans to give those it classifies as agricultural labourers an annual pension of Rs 30,000 per family broken down into monthly cheques of Rs 2,500. Average daily wage as farm labourers in the area is anything between 200 to Rs 300 each day. Assuming there are two working members in the family the monthly compensation is far less than what they were earning. Also, only men get the cheques and only they will get the opportunities to learn new skills.

Delayed Compensation: Compensations take time to arrive and the developed lands would be available only after the capital is built. If the construction of the capital gets delayed, farmers will be left in the lurch. Although the government may keep paying them for 10 years, their real money is from the developed plots promised in lieu of land. The value of these plots would increase only when the capital city develops and becomes liveable.

Impacts on Dalits: (marginalised community, also Constitutionally protected): There is a stark discrimination between the compensation promised for land title (patta) holders and government lands. Four different packages were announced for patta lands, assigned lands, lanka assigned (assigned lands on islands and along the riverbank) lands and Government land. The Government has been taking advantage of the fact that most of the people don’t have documents of the assigned lands. Since it is the poor and the Dalits who form lion’s share of the assigned lands, the signatories alleged that this as an outright discrimination by the State against the oppressed castes – the Dalits.

What is LPS?

Under the Land Pooling scheme (LPS), small parcels of land and pooled from the various large owners in a region with their voluntary and irrevocable consent and these assembled land are developed by a special agency or government body with all modern facilities like roads, sewerage lines, electricity etc. After the completion of the development in few years, a small portion of the developed land will be returned back to the original owner. The returning portion is not fixed; it depends on the agreement signed between the land owner and the agency polling the land. The pooling process can be used wherever the land prices shoot up after the development. It may not work for rail projects where the land value will not be increased.

The AP Capital Region Development Authority Act, 2014 helped to create the Amaravati land bank with all the government land being transferred to it. The Act also helps in land pooling schemes in the capital region. The government has proposed to complete the development in ten years and return 30% of the developed land to the original land owner. It also proposed an annual compensation in the range of Rs. 30,000 to Rs. 50,000 depending on land quality with a 10% increment every year for a period of ten years. Land owners have also been exempted from capital gains tax and stamp duty on the first sale. The AP government also offered loan waiver and government jobs to the local youth. It is also paying annuity to the tenant farmers and landless workers.

In most villages, the Dalits were systematically given plots far away from the development area in low-lying areas while the upper castes were given costly plots at the centre of the development area.

Sidestepping Land Act, 2013: The land pooling scheme attempts to sidestep the provisions of a far stricter central land law. The Land Act, 2013 says government acquisition of land requires the consent of 70 to 80% farmers. Since it is voluntary, the Andhra Pradesh Government’s land pooling scheme has no such provisions.

No public consultation: Former IAS officer M.G. Devasahayam, who led a fact-finding team of National Alliance of People’s Movement (NAPM), a network of social activists for investigating the 29 villages within the planned capital region, said that the APCRDA Act was “introduced in the Assembly overnight and passed [with] no public consultation”, and was “against the Constitution and… violative of the Land Acquisition Law of 2013”\(^5\). These farmers and critics have been questioning how the Andhra Pradesh government can proceed with a project that affects lakhs of individuals without real participation from those very people, is clearly environmentally destructive and finally how the Union government can back it.

There have been widespread allegations that the influential Telegu Desam Party (TDP) leaders have been buying assigned lands illegally and getting them regularized. Lands worth crores of rupees are obtained for a pittance by force and blackmail.

The assigned lands on islands and along the riverbank, locally known as lanka bhoomulu, estimated at about 2,000 acres, have not been covered so far under LPS despite the riverfront being a high priority zone for the Amaravati project. There seems to be a sinister strategy here. The poor are told that the government will take over their lands without any compensation since they have not been notified under LPS. Under such fear, wherever an assigned farmer gives away his land for some payment, the records are getting quickly changed in favour of the buyers, who are mostly the ruling party leaders

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\(^5\) [https://thewire.in/58016/amaravati-an-example-of-flawed-urban-policy/](https://thewire.in/58016/amaravati-an-example-of-flawed-urban-policy/)
Environmental Concerns:

Environmentalists have called Amaravati a disaster in the making, since it is being built on a highly flood-prone and seismic zone. The site chosen by the State poses danger to human lives and property because it is highly vulnerable to natural calamities. The capital region comprises fertile agricultural lands in seismic zone susceptible to natural calamities like floods, cyclones and earthquakes.

Affect flow of the River: The location chosen will necessarily involve high rise concrete structures which will inhibit recharge of ground water and aquifers and affect flow of water into the river Krishna.

Affect the flood plains: The stretch along the Krishna on which Amaravati will be built is a highly fertile floodplain – or a catchment area that replenishes itself naturally during rainfall and flooding, maintaining the water level of the soil, as well as the flow and ecology of the river, by continuously absorbing and discharging water. Constructing on a floodplain would destroy that natural system of absorption and discharge and severely raise the risk of flash flooding.

Denotification of forest area: The State government has been lobbying with the Centre for de-notification of 19,000 acres of forest area for inclusion in the capital region. Former Union Energy Secretary E.A.S. Sarma has shot off a letter to the Union Ministry of Environment, Forest and Climate Change while a petition by another environmentalist is pending before the National Green Tribunal.

Reduction in water bodies: The 'blue and green' concept of the AP government notwithstanding, the upcoming capital city of Amaravati on the right bank of river Krishna will reduce the extent of water bodies by 6.6 sq km.

According to official data, water bodies in the proposed capital city are spread over 32.43 sq km, including small lakes covering an area of 2.78 sq km. But when the capital city becomes operational, the size of the water bodies will come down to 25.78 sq km. This includes reduction in the capacity of the river Krishna and its tributary Kondaveeti Vagu.

Diversion of forestland: The project involves diversion of 13,377 hectares of forest land in favour of the Andhra Pradesh Capital Region Development Authority (APCRDA) to develop infrastructure for Amravati. The environment ministry has formed an expert panel to examine the state government’s master plan for the capital after several environmental concerns were raised over the project.

The proposal was first submitted in October 2015 to the forest advisory committee (FAC), of the ministry of environment, forest and climate change (MoEFCC) but has not received forest clearance yet. The submissions made by the forest division of the environment ministry and its regional office in Chennai on the project to FAC noted the proposal includes diversion of 890.43 hectares of the Kondapally forest; which acts as the lungs of Vijayawada people with lot of historical associations and should not be disturbed.

Another concern is whether the land proposed to be used for compensatory afforestation in exchange for diversion of forest land is suitable for afforestation.

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8 http://www.livemint.com/Politics/qDgxVCVTuRdkNHf4pvDgM/Andhra-Pradeshs-plan-for-capital-Amaravati-faces-green-hurd.html
Legal

In front of the National Green Tribunal:

Several petitions have been filed by eminent persons, environmentalists and social activists before the National Green Tribunal (NGT), New Delhi raising several environmental concerns on how AP_CRDA, had violated all the norms and laws, while taking up the construction at the capital. The NGT directed the state of AP “not to carry out any operations of the clearing of the land falling in the project area” without obtaining environmental clearance. The AP government, however, violated the order by levelling land and destroying crops in some villages. Despite this, the Prime Minister of India laid the foundation for the new capital. It was also contended that rules have not been followed while acquiring fertile agricultural land and wetlands – nearly 40% of the total area of 33,000 acres – where some 100 varieties of grains, vegetables and fruits are cultivated.

The NGT has concluded arguments on four petitions filed by Pandalaneni Srimannaryana and Kamalakar, another by Pandalaneni Srimannaryana and Satya Bolisetti, and two more by retired IAS officer E.A.S. Sarma and the judgement has been reserved.

It was alleged that the most of the capital area was under inundation of Krishna floods and Kondaveeti Vagu and as this project is above 150,000 square metres, hence, EC has to be obtained from the Central Environment Authority, MoEF, and not from the State Level Environment Impact Assessment Authority (SEIAA) in Hyderabad (their jurisdiction is below 150,000 square metres built up area. The petitioners demanded that the State Environment Impact Assessment Authority’s nod should be revoked on various ground.

The petitioners also alleged that the Environment Impact Assessment (EIA) Report and the Environmental Management Plan (EMP) presented by the CRDA was “forged”. They told the tribunal that the signature of Tata Consulting Engineers Ltd Water and Environment division head Ashish Despande was “cut and paste” on to the report and plan. They pointed out to an alleged discrepancy in the dates to make their point.

9 https://scroll.in/article/763701/lessons-from-amaravati-how-not-to-build-a-smart-city
10 http://www.thehindu.com/todays-paper/tp-national/tp-andhrapradesh/ngt-hearings-on-amaravati-over/article18171374.ece
In April 2015, two former judges of the AP High court, Justices A Gopala Rao and P Lakshmana Reddy, along with journalist ABK Prasad and advocate C Sadasiva Reddy, filed a PIL asking the AP High Court to declare the CRDA Act as unconstitutional and ultra vires of the Andhra Pradesh Reorganisation Act, 2014. They maintained that as per the Section 6 of the AP Reorganisation Act, the responsibility of identifying the AP capital lies with the Centre. The successor state of AP was not given the choice to identify its new capital area. The petitioners also pointed out that the Andhra Pradesh government did not attempt to find an alternative location for the capital area instead of the green-fields and flood plains of the river Krishna, which is also a clause in the social impact assessment study. The case is still sub judice in the Andhra Pradesh High Court

Police and State:

Implementation of land pooling scheme: Even though deemed to be a Land Pooling voluntary, reality of how it was executed far from there. There have been incidents police violence against farmers not willing wanting to

participate in the scheme. Police resorted to violence (against the farmers who were not willing to give their lands in Pothepalli village of Machilipatnam mandal in Krishna district\textsuperscript{12}.

Police were moved in to the villages on a permanent basis from the first week of January 2015 due to an incident of burning of banana plantations and bundles of some other material on the morning of 29 December 2014. This happened in six river-bank villages where resistance to LPS was high. Cases were booked on several activists of the opposition party. Later, it came out that it was done by the ruling party as a strategy to move the police into the villages\textsuperscript{13}.

The government’s intimidation of the farmers opposed to land pooling continues even after laying the foundation for Amaravati on 22 October 2015. On the same night, a 4.70 acre sugar cane farm was burnt in Malkapur village. (Deccan Chronicle; New Indian Express).

\textbf{Complaint filed with the Inspection Panel:}

In May 2017, few landowners and farmers registered a complaint with the Inspection Panel with a request for Inspection, as a result of the Bank’s non-compliance with its environmental and social policies in preparation of the proposed project. The Panel registered the request on June 12, 2017, and received the Management Response to the request on July 21, 2017. A Panel team visited India from September 12-15, 2017, and met with the requesters and other potentially affected community members, farmers who support the LPS and their representatives, representatives of the World Bank Country Office, officials from the Ministry of Finance and from the Andhra Pradesh Capital Region Development Authority, the agency responsible for developing the city, as well as civil society representatives.

On September 27, 2017, the Panel submitted its Report and Recommendation to the World Bank Board of Executive Directors that recommended “carrying out an investigation into the alleged issues of harm and related potential non-compliance with Bank policies, especially relating to involuntary resettlement.”

On November 27, 2017, Bank management submitted to the Panel an addendum that offered clarifications, an update on project preparation and additional actions to “complement and clarify” the actions presented in its July 21, 2017, response in order to fully address the Requesters’ concerns. Management indicated the addendum was based on recent field missions and discussions with the Panel. After reviewing the addendum, the Panel submitted an updated Report and Recommendation to the Board. Based on the addendum and the proposed actions, the Panel deferred its recommendation for up to six months as to whether an investigation is warranted.

The Board on December 12, 2017, approved the Panel decision to defer its recommendation and to report back to the Board in the next six months. The Panel on June 26, 2018, proposed a second deferral of its recommendation for nine months or when Management authorizes the appraisal of the proposed project, whichever arises earlier. On July 13, 2018, the Board approved the Panel’s recommendation.

Meanwhile, Social Activist Medha Patkar, Former Power Secretary Dr. EAS Sarma, Goldman Prize awardee Prafulla Samanthra, Retired Scientist from Indian Institute of Chemical Technology (IICT) Dr. Babu Rao, and 42 other representatives of various people’s movements, civil society organisations, and concerned citizens wrote to the Executive Directors of the World Bank Group to draw urgent attention to various irregularities surrounding the proposed capital city construction. They strongly expressed that the suggestions of the Panel’s report for a full investigation into the violations of the Bank’s operating policies must be followed by the Board and that the Board should not undermine the mandate of its own accountability mechanism. They further expressed their astonishment of the Bank’s silence on Andhra Pradesh Chief Minister N Chandrababu Naidu’s instruction to the Capital Region Development Authority (CRDA) to firmly deal with the people


\textsuperscript{13} https://www.telugu360.com/voluntary-land-pooling-decoded/
who filed complaints with the World Bank. The signatories of the letter held the World Bank and the Asian Infrastructure Investment Bank (AIIB), a co-financier of the project, accountable for the already existing and impending crucial consequences of this mammoth capital city project and demanded that the concerns of the project affected communities be considered; faulty ‘voluntary’ Land Pooling Scheme be withdrawn; Andhra Pradesh Capital Region Development Authority Act (APRCDA Act 2014) be abolished.

Excerpts from a letter to the Chief Minister from National Alliance of People’s Movements

February 1, 2017

Sub: Discrimination of and Injustice to Dalit farmers, small and marginal cultivators and agricultural labourers by the Andhra Pradesh Government in the Capital Region, Amaravathi - Appeal for Justice

Dear Chief Minister:

We have been consistent in our demand that the least minimum guarantee to the affected people must be full compliance with the letter and spirit of the Land Acquisition and Rehabilitation Act, 2013.

As you know, the ‘land pooling’ notification (in violation of the 2013 Act) was promulgated by your Govt. on 25.10.2014, for the construction of the Capital City of Andhra Pradesh. Patta lands were given a compensation of 1000 sq. yards and assigned lands were given a compensation of 750 sq. yards. As reported to us, barely within 24 hours after the announcement, the officials of the CRDA (Capital Region Development Authority) and the police started harassing the villagers threatening them of serious actions if they don’t give their lands for pooling.

After the CRDA Land Pooling Act was invoked on 1. 1. 2015, the landless agricultural labourers, who mostly are Dalits, were left to the wind while only some landed people were compensated and rehabilitated. After people’s consistent questioning and struggles, the Government announced a meager monthly income of 2500 INR per family. Even this paltry amount of 2500 INR is being delayed 3-4 months. This is a result of the faulty and casteist Land Pooling Act (state act) which is being invoked instead of LARR 2013 act (central act).

The Government has been taking advantage of the fact that most of the people don’t have documents of the assigned lands. Since it is the poor and the Dalits who form lion’s share of the assigned lands, we consider this as an outright discrimination by the State against the oppressed castes – the Dalits.

In the context of the above unconstitutional discrimination and injustice inflicted by your government on the small and marginal dalit farmers, cultivator and landless families, we request you to urgently look into the following demands.

1. Scrap the CRDA Land Pooling Act, CRDA authorities and notifications passed subsequently, which are inconsistent with the 2013 Central Act and fully implement the Land Acquisition and Rehabilitation Act, 2013 in the case of all the affected people of Amravati Capital Region.

2. Initiate a Judicial enquiry into the socio-economic damage, land transactions and psychological trauma of Dalits who have undergone severe pressure and fear, due to the land acquisition and displacement process.

3. Announce a Special Compensation Package for Dalits and other assigned land holders as their social life has been damaged to a great extent in the past two years.

4. Prosecute brokers, real estate agents and other persons who purchased or facilitated purchase of assigned lands after the announcement of Capital Region.

5. Stop attempts to de-list dalit farmers from records through dubious documentary manipulation and consider all dalit cultivators in possession of the land as the original owners of the land for purposes of compensation and R&R under the 2013 Act.