# 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 isexpecting $300-million loan from the World Bank for

Amaravati Sustainable Capital City Development.
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- The total financing for the projectis $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 thenew capital under different categories of agreements.
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- The Bank's financing is planned to be usedwithin 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 harmfrom a land pooling scheme (LPS) being implemented to assemble the land required for the city, aswell 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 andrelated 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 deferredbased on the discussion with panel and the proposed actions.
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**Source: Business Line, Business standard**

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