

Executive Summary

The Government of Andhra Pradesh is developing a green field capital city at Amaravati, in Guntur district of the State. The State adopted a unique land assembly process of pooling land from land-owners within an award of 'land for land' framework.

Furthermore, the government implemented certain socio-economic development measures aimed at improving the quality of life and livelihoods of not only the land-owners who surrendered their land, but also the landless and other Project Affected Populations (PAP). As part of this, under the Amaravati Sustainable Capital City Development Program (ASCCDP) and its sub-project Amaravati Integrated Urban Development Program (AIUDP) funded by the World Bank and Asian Development Bank, the AP Capital Region Development Authority (APCRDA) mandated a social audit of the land assembly processes and its impact on livelihoods of the PAPs.

The three-part mandate included: Desk review, primary study, and interactions including focused group discussions (FGD). A total of ten FGDs were held, five each with LPS participants and the landless. Interactions included field level resources and officials of APCRDA with local leaders and others.

A primary study was conducted in twenty five villages across the capital region during the months of June and July, 2025. The sample covered participants in the land assembly under the categories of Land Pooling Scheme (LPS), Land Acquisition (LA), and Negotiated Settlements (NS), as well as the landless-a significant section of PAPs. The sample was drawn out of the list of total participants shared by APCRDA. The sample set with a total of 1,441 respondents ensured proportional representation from categories across gender, social status, occupation, education, differently-abled, and such other parameters.

The desk study involved review of documents/data accessed from APCRDA and other sources.¹ The findings from the primary study are supplemented with insights from desk reviews and interactions held with the respondents and other stakeholders. Findings from the study are detailed in the report and are summarised as under.

- a. *Endorsement by villagers:* Ninety-seven percent of the respondents stated that establishment of the capital at Amaravati is beneficial to the common people. Ninety-

¹ Darla, S. (2021). *The land pooling scheme in Andhra Pradesh. Economic and Political Weekly*, 56(47). <https://www.epw.in/journal/2021/47/commentary/land-pooling-scheme-andhra-pradesh.html>

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five percent of the respondents under LPS stated that their participation is voluntary and that they were not coerced to part with their land.

- b. *Land pooling was preferred:* LPS was the most preferred mechanism for participation in the land assembly contributing to 99.6 percent of the land assembled. The land assembled under the LPS is more than 30,000 acres, while the land acquired under LA was about 140 acres, and the NSP contributed about 30 acres; thus *making the land assembled under LA and NSP nominal in comparison to land assembled under LPS*. Accordingly, this study focused more on LPS.
- c. Of the twenty five villages, land assembly exceeded 90% in twenty villages. In four villages, 76% to 89% of the land was assembled. Only one village had as little as 30% of its land assembled.
 - c.1. Interestingly, the analysis of the reasons for ‘land yet to be pooled’ shows that 30% of the landowners in this category belong to the same village. Of these landowners, 50% reported that they are not interested in participating in land pooling.
 - c.2. Two other villages with responses of ‘not interested in land pooling’ contributed between 75 percent to 90 percent, to land assembly from their village. The responses from these villages suggest ‘other reasons’ for not contributing the remaining land. *Such reasons need further study.*
- d. *Success of LPS:* The LPS has achieved up to 99.6% land assembly, and the scheme—both in its design and implementation—can be considered successful in fulfilling its purpose. The following inferences drawn from the findings further support this conclusion:
 - d.1. The land assembly participants’ awareness of the benefits, processes, grievance redressal mechanism and other details associated with LPS is significant with above 80 percent positive responses. This is assessed to be a result of their participation in the village-level meetings and consultations held.
 - d.2. The participation in the land assembly or otherwise was seen to be a family decision. As per APCRDA ‘*no LPS participant has so far registered any complaint anywhere for the last one decade against the LPS system*’
 - d.3. The benefits in terms of annuity and returnable plots are acknowledged. These observations from the field reinforce the data obtained from APCRDA and vice-versa. Some of the LPS recipients sold their plots after receiving the Land Pooling Ownership Certificate (LPOC). According to the data provided by APCRDA, approximately 16% of residential plots and nearly 8% of the commercial plots were sold by end of June 2025.
 - d.4. The weightage accorded by respondents for other benefits such as loan waiver or additional payments for orchards appears to be insignificant as compared to the perceived benefit with appreciation in the value of Returnable Plot as the Capital City gets developed.
 - d.5. Participants seem to have invested most of the money received from the sale of plots/land or as cash compensation for land assembly in productive assets—primarily housing, land purchases, and their children’s education.

d.6. According to APCRDA, the approximate benefit for an LPS farmer is estimated to be around Rs. 4.0 to 5.0 crores per acre of land exchanged, based on current market rates for urban returnable plots. However, APCRDA observed that surrendering land under the *The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013* LA R&R Act, 2013 is not as beneficial when compared to the entitlements provided under the LPS.

d.7. The land-less in the capital region were engaged primarily in daily wage work. Farming was not a major occupation for them even before land assembly. According to the field survey they were mostly engaged in skilled wage work (18%) and unskilled wage work (35%) either in the farms or in non-farm activities. The livelihoods of the landless appear to be affected with lack of farm wage work in the capital region villages as only one-third of the landless respondents for the primary survey have reported experiencing ‘minimum effect’ of land assembly on their livelihood.

d.8. After land assembly, participation in new economic activities remained limited—only 16% of respondents reported having started a new livelihood activity in the capital city area. About 12% stated that they had ‘lost wage work but did not start any new activity,’ likely reflecting those who were unable to take up alternative work due to mobility constraints or age-related issues, as noted during the FGDs.

d.9. Despite these challenges, landless households were able to sustain themselves because they received government pensions, with more than 94% of respondents reporting that they were beneficiaries. Thus, it can be concluded that these pensions supplemented their reduced wage earnings and helped them meet household expenses.

d.10. The respondents were aware of the grievance redressal mechanisms (GRM).

d.11. The population covered by this audit acknowledged the support received from the government, including the cooperation extended in addressing any challenges encountered during the process (see Sections 3.10 to 3.11).

d.12. The decentralized approach adopted through the establishment of unit offices appears to have effectively supported the land assembly process. These village-level offices provided residents with easy access to the authorities.

e. Findings in need of consideration for review: In addition to the suggestions/recommendations, the following points need review:

e.1. According to APCRDA 26,011 land holders participated in LPS and contributed 34,864.7 acres of land by June 2025. However, the survey findings indicate that 22 percent of them (LPS participants) still have some more land to exchange under LPS.

e.2. As regards annuity payments, for the year 2025-26 APCRDA has paid annuity to 23,758 LPS participants (91.3 percent) and 1,344 (5 percent) participants did not receive annuity as of June 2025. Another 654 participants (2.5 per cent) are no longer eligible for annuity as they have either sold or gifted the returnable plots/land awarded to them. (see Section 4.59)

e.3. Decline of farming activities in the capital city area also affected the livelihoods of some landholders. Earlier the small farm producers possessing farms of less than one acre of land (61 per cent) and one to two acres (21 per cent) were taking

additional land on lease for farming. Hence the interventions aimed at support and strengthening of livelihoods shall cover such category of land holders also.

e.4. About ten percent of the respondents under LPS stated to have started farming/new activity outside the capital city area. This suggests that interested participants in LPS continue to explore opportunities on farming/other activities. However, *during the FGDs some participants observed that with the proposal to pool additional land for the capital city some of these opportunities of farming and farm wage work opportunities taken up outside and adjacent to the capital region may be lost,* once those lands are assembled.

e.5. As part of diversification, households initiated new activities, including those supported by skill development programmes. However, some faced difficulties adjusting to the new, more urban environment compared to their earlier rural setting. Therefore, interventions related to skill development, training, and the promotion of alternative livelihoods should take these challenges into account.**e.6.** Certain issues related to land pooling from the extended village habitations, payment of annuity to land holders of Krishna river islands, pension payments to those who started wage employment were yet to be resolved and stated to be pending for long on account of the need for policy changes. This situation also led to a conclusion that the emphasis on grievance redressal measures declined after the participants consented to give up their land.

Suggestions and recommendations

A summary based on the observations derived from the survey and desk research:

f. On Consultation and Communication Initiatives: Review dissemination and outreach initiatives to ensure they effectively reach Project-Affected Persons (PAPs), particularly those who declined to participate in the Land Pooling Scheme (LPS). Nearly two-thirds of respondents in the ‘declined’ category indicated that they might have made a different decision had more information been available. The reasons for non-participation outlined in this report offer useful insights for better understanding their perspective.

g. On Entitlements: The APCRDA shall take into consideration the following statements of the respondents with reference to entitlements and address the same with necessary measures:

g.1. Provide plots with clear boundaries, free from encumbrances such as electricity transmission lines or similar obstructions. Otherwise, land development may get curtailed and the value of such plot/land can be diminished.

g.2. Registration of allotted plots/land as per landowners’ choice (e.g.in the name of a ward) subject to necessary compliances, ensuring accuracy in plot/land ownership certificates.

g.3. The survey findings indicate that annuity payments have been regular with few exceptions. It is stated that the APCRDA still has a robust system wherein the

aggrieved land-holder can easily access the status of the annuity amount. The model and experience under 'Public Financial Management System (PFMS)' - in which recipients can check the direct benefit transfer (DBT) – may offer a solution. (4.57).

g.4. Conduct case-by-case reviews where annuity, pension, or other payments are still pending. While the weekly Grievance Day at the Tulluru CRDA premises can address most issues, matters related to land—such as returnable plots and annuity payments—that are specific to a particular village or group of locations may require policy-level attention. This recommendation should be considered alongside suggestions related to grievance redressal and delegation of authority, to ensure that issues can be effectively reviewed and resolved on a case-by-case or category-by-category basis, in accordance with applicable laws, rules, or guidelines.

g.5. Provide opportunities for beneficiaries to avail loans by pledging allotted plots/land.

g.6. Restore pension benefits to those presently denied on the grounds of being engaged in unskilled wage work.

g.7. The monetary and other benefits provided a 'transitional' life-line to the PAPs in the land assembly process. The development of the capital city is expected to create value for the participants and promote alternative livelihoods. It might take time for the capital city development and for it to reach 'monetization' stage of asset-swap between the participants and the 'capital city ecosystem'. Hence an emphasis on ensuring timely and committed compensation and other benefits during the implementation phase is essential. This process needs sustained compliance and monitoring.

h. On Livelihoods and Standard of Living: The landscape of livelihoods is changing from traditional agrarian system, temporarily into somewhat a vacuum for some, but poised to be 'urbanised' with the development of the capital city. All project affected persons i.e. landholding or otherwise; wage labourers or housewives etc. are challenged to adapt to this changing livelihoods landscape; and hence are in need of support.

h1. The landscape of livelihoods needs special emphasis with periodic assessment and evaluation of progress of Resettlement Action Plans (RAPs). This also necessitates revisiting and updating the RAPs with adequate focus on livelihood enhancement of the land less and the most vulnerable population segments. The latest version of RAPs prepared in the year 2024 is to be reviewed in the light of re-commencement of the capital city development and taking into consideration the findings of this study and another study mandated by APCRDA on the vulnerable persons. The study team was given to understand that RAPs were prepared for certain infrastructure projects such as roads, flood mitigation etc. but a RAP encompassing overall land assembly is exigent with emphasis on livelihoods and standard of living.

h.2. The land assembly is committed to sustainable livelihoods and ensuring standard of living while dealing with displaced population. *Under AIUDP the number of*

displaced population is insignificant, if not nil, but those facing disruption in their livelihood are many.

h.3. Nearly fifty percent of landless stated loss of ‘wage work’. During the FGDs held for landless the participants shared their challenges.. The insights gained indicate that training and skilling is often under focus as a means to sustainable livelihoods; but the responses stated above suggests that *training and skilling requires more localized and special focus*. Besides skill development and credit for starting small enterprises, there is a definite need for information sharing as labor market opportunities for wage work are non-local and livelihoods are spatial. Information on jobs and skill requirements would enable equitable access to jobs, ensure that the bargaining base of labor remains intact and protection of their civil rights.

i. On Grievance Redressal: Awareness building on grievance redressal needs review to ensure adequate safeguards for the PAPs to withstand the shocks that emerge during the course of land assembly. The monitoring of overall land assembly process and in particular the RAPs *shall take into consideration the experiences and insights from the grievance redressal process to strengthen the grievance redressal and safeguards.*

i.1 The suggested revisit to the grievance redressal process shall include access to grievance redressal and resolution at the village level. Such approach is assessed to have contributed to the success of land pooling.

i.2. The grievance redressal mechanisms shall be strengthened *with systemic process reengineering and appropriate delegation of authority* to ensure time bound resolution at the village level to the extent feasible.

j. On Environmental Impact: Some participants in the FGDs expressed concerns about environmental impact caused by urbanization. This needs consideration.

k. Livelihood Security: The project needs legal and judicial standing. A project of this scale and nature shall have in-built safeguards to insulate the same from political or other influences as both life and livelihoods of the local communities could be affected adversely and instantly.

Caveats:

1. Participants could have refrained from articulating critical or negative views regarding the land assembly process considering their challenges during 2019-24; when the State proposed a *Three Capital* formula, fearing that a report derived from negative responses may cause the authorities to reconsider the decision to locate the capital in Amaravati.
2. The methodology followed, triangulated the field survey data with documents and data from the APCRDA. These collaterals have been verified to the extent possible. The responses presented are broadly in proportion to the total respondents under the respective category.