



CASE STUDY

Amaravati | Land Pooling Scheme

Pooling Land for Development in Andhra Pradesh

Securing land for development through land acquisition is often a protracted and expensive process in India and the world over. Andhra Pradesh's model of land pooling for its new capital Amaravati offers a compelling alternative.

The Challenge

In 2014, the Indian state of Andhra Pradesh was separated into two. One state continued to be called Andhra Pradesh, while the other was named Telangana. The existing state capital Hyderabad was to be shared for 10 years, before eventually coming under Telangana's jurisdiction after 2024. Under pressure to plan and build a capital city from scratch within this short timeframe, the new Andhra Pradesh looked to the world for inspiration and approached other countries for assistance. Singapore helped to initiate the development by producing masterplans

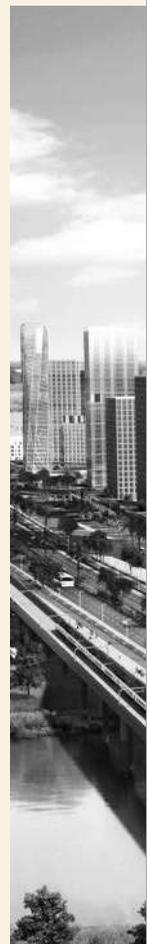
for the capital city Amaravati and its surrounding region in just six months.

Still, the Andhra Pradesh government had its work cut out, with much of the land required for development belonging to agrarian landowners. It was not viable for the government to buy over private land through land acquisition—a costly process that had a history of generating public discontent over compensation rates when previously implemented in India. Such contestations would not augur well for Amaravati's vision to become “The People's Capital”, where citizens reap the benefits of its progress.



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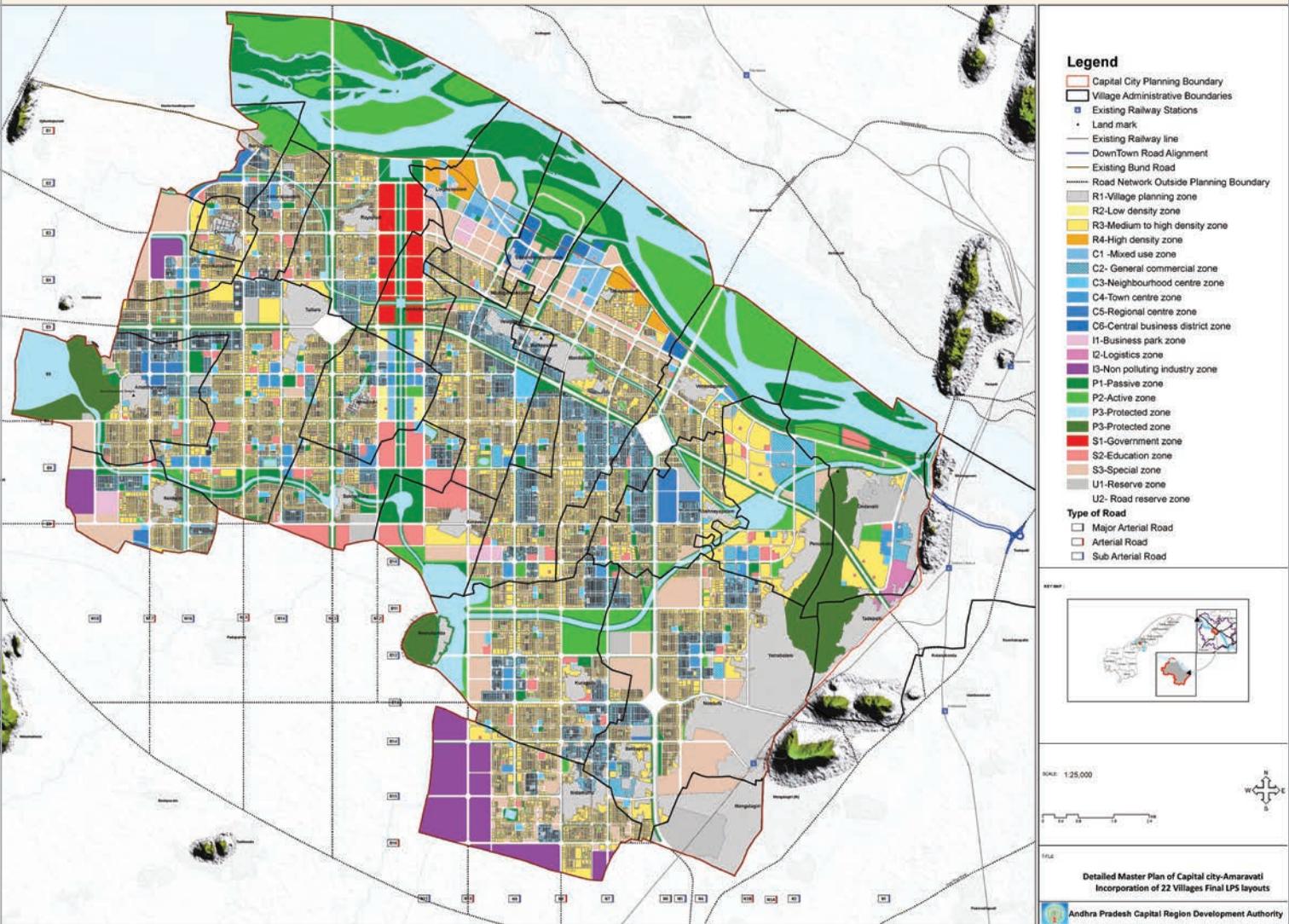
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The Andhra Pradesh state is under pressure to solicit land to plan and build its new capital city, Amaravati.





The Solution

In search of other ways to secure land for Amaravati's development, the Andhra Pradesh government found inspiration in the alternative method of land pooling, through which the state promises landowners a smaller but developed plot of land in the future in exchange for current landholdings. These reconstituted plots would come with smart utilities and infrastructure such as citywide WiFi access, paved roads, sewage pipes and electricity lines. The government realised this model could encourage landowners' buy-in by giving them a stake in the future capital. Making land the primary mode of exchange instead of money would also reduce the pressure on the state's finances.

A cabinet subcommittee was tasked to devise a land pooling system. They studied how other Indian states such as Chhattisgarh and Gujarat had previously executed land pooling, and discussed the idea with officials from across the country. They also visited the villages in the planned development area to seek the farmers' input. After these consultations, the committee created a policy detailing how landowners would be compensated under the land pooling scheme. The scheme started in January 2015, with the aim of obtaining 38,581 acres of land.

“Making land the primary mode of exchange instead of money would also reduce the pressure on the state's finances.”

The Andhra Pradesh Capital Region Development Authority (CRDA)—Amaravati's urban planning agency—recognised that the scheme's success would depend on whether it was inclusive and fair to those being asked to give up their land. A draft of the scheme was made widely available to the public, with 30 days given for public feedback and objections. Government officials visited various villages to consult residents on the design, size and location of their returnable plots. Landowners could see for themselves the plot subdivision plans for their villages and address their queries to the officials directly.

The CRDA took the landowners' feedback seriously, incorporating their suggestions into the revised scheme. For instance, farmers insisted that reconstituted land plots be located as close as possible to their existing villages, and should comply with the principles of *Vastu shastra* (a traditional Hindu architectural system), such as by aligning with true north to the greatest extent possible. They also asked for plots of various sizes so they could choose between a single large plot or multiple smaller plots, as well as the joint allocation of plots together with friends and family.

Out of the 24 villages approached to give up their land, 22 agreed within four months of the scheme's announcement. Following this, the returnable land plots were allocated through electronic lotteries for fairness. These lotteries were held at the villages, with landowners receiving confirmation of their plot allocation via mobile message. Their plot allotment letters were also printed and handed out to them immediately, with soft-copies made available online.

- 01 The masterplan of Amaravati Capital City illustrates how the city pools together land from individual farmers and the state to create a world class "People's Capital".
- 02 CRDA officers explaining the masterplan and land pooling scheme to the villagers to solicit feedback.

“ Within just 60 days of implementation, the government managed to persuade 25,000 farmers to give up 30,000 acres of land. ”

01



Meanwhile, despite the CRDA's efforts to convince them of the benefits of land pooling, landowners in two villages have refused to give up their land due to personal reasons such as fears over their livelihoods if they forgo agriculture. To secure land necessary for Amaravati's development, the state is moving to invoke the Land Acquisition Act, where the villagers will be required by law to give up their land in return for monetary compensation. These pockets of resistance, however, are small in comparison to the majority support, with nearly 90% of the required land already secured through land pooling.

The Outcome

As the largest exercise of its kind in India to date, land pooling for Amaravati has made milestones for its unprecedented scale and efficiency. Within just 60 days of implementation, the government managed to persuade 25,000 farmers to give up 30,000 acres of land. As of June 2018, over 33,700 acres have been consolidated through the scheme. The Indian central government has lauded Amaravati's land pooling scheme and other states such as Maharashtra have taken efforts to study the upcoming capital's model.

Beyond consulting the people to ensure proper compensation, the Andhra Pradesh government has looked into helping landowners transition to urban livelihoods in the long run. For example, 123 landowners were sent to Singapore in 2017 to learn about urban development, from integrated masterplanning to development forms

02



such as integrated waterways, heartland malls and mixed-use developments that they might see in their future city.

Time will tell the success of Amaravati's development. However, the solid foundation enabled by land pooling and public consultations bodes well for the ambitious capital's future. ○

01 Andhra Pradesh's Chief Minister Nara Chandrababu Naidu handing out plot allotment letters under the land pooling scheme for Nallapadu village.

02 Landowners from Amaravati were sent on a study visit to Singapore in 2017 to learn about urban development.