



Module 1: Policies and Strategies

India: Andhra Pradesh economic restructuring project

Session: 1.2

Part 2 – Case Study #2

Presentation: 1.2b (#2)

1. Introduction

Learning Objectives

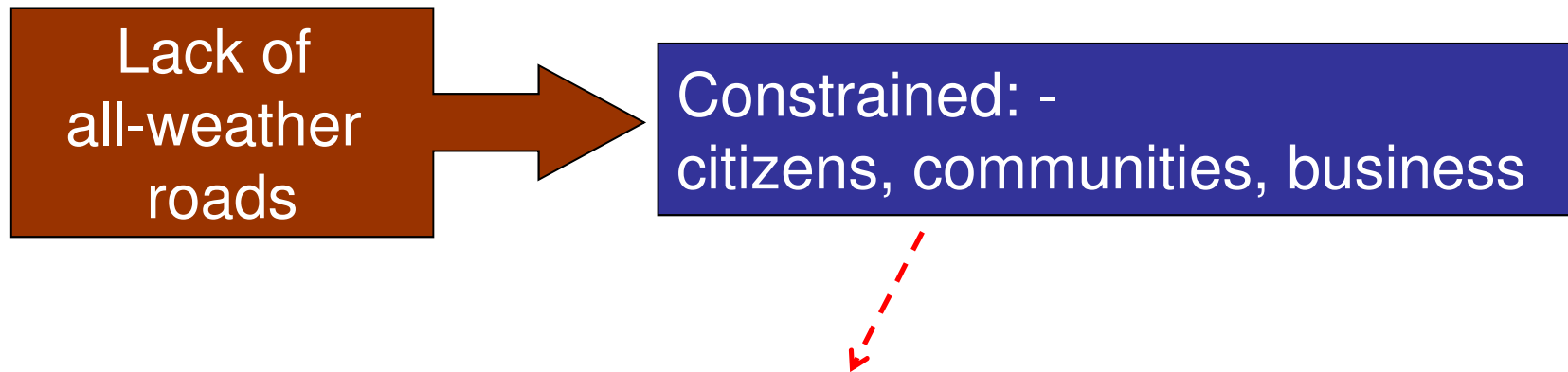
By the end of the session participants will be able to:

- ③ Explain the issues with rural access in Andhra Pradesh
- ③ Describe the approach taken by the Andhra Pradesh project
- ③ Critique the results of the project
- ③ Contrast lessons from the case study with their own country contexts
- ③ Analyse the links between rural access, economic and social development, and poverty alleviation.

Session Overview

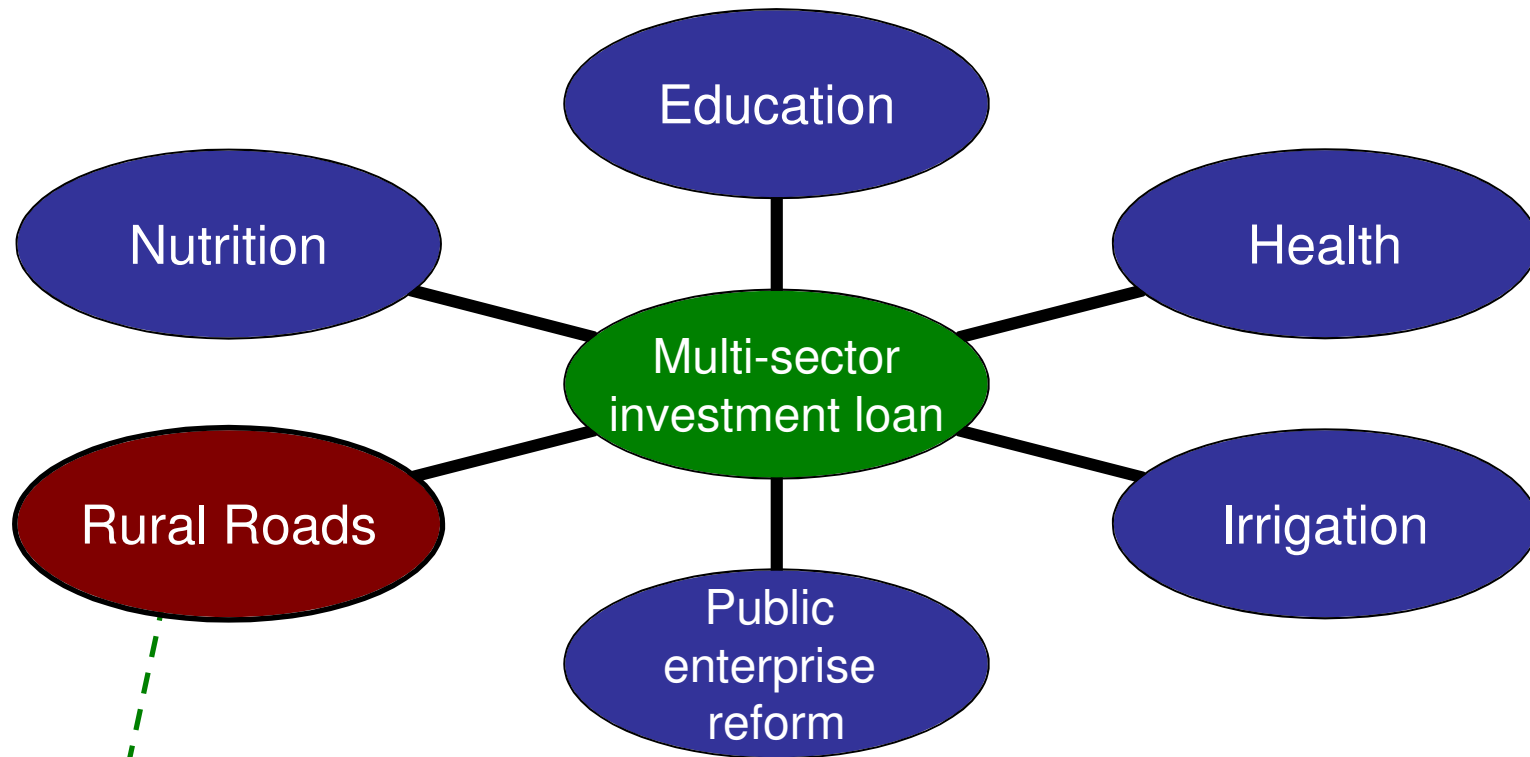
- ③ Issues with rural access in Andhra Pradesh
- ③ Andhra Pradesh economic restructuring project
- ③ Project results
- ③ Next steps
- ③ Analysis of the case study

2. Rural access: Andhra Pradesh



- ⊙ Delayed passenger and freight movement
- ⊙ Reduced transport safety
- ⊙ Hindered economic development
- ⊙ Limited poverty alleviation

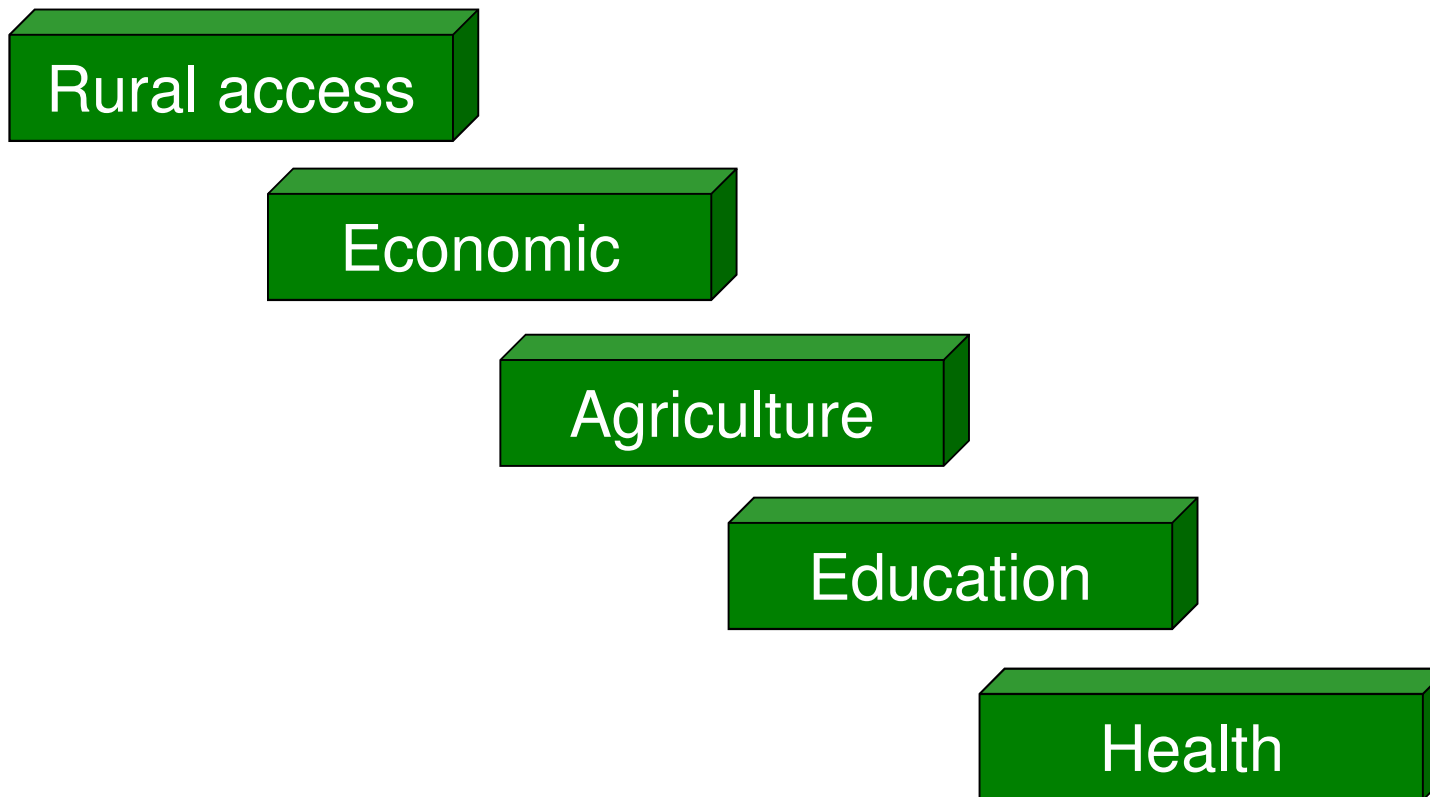
3. Andhra Pradesh economic restructuring project



Objective: address challenges by providing basic all-weather road access to villages in three districts.

4. Results

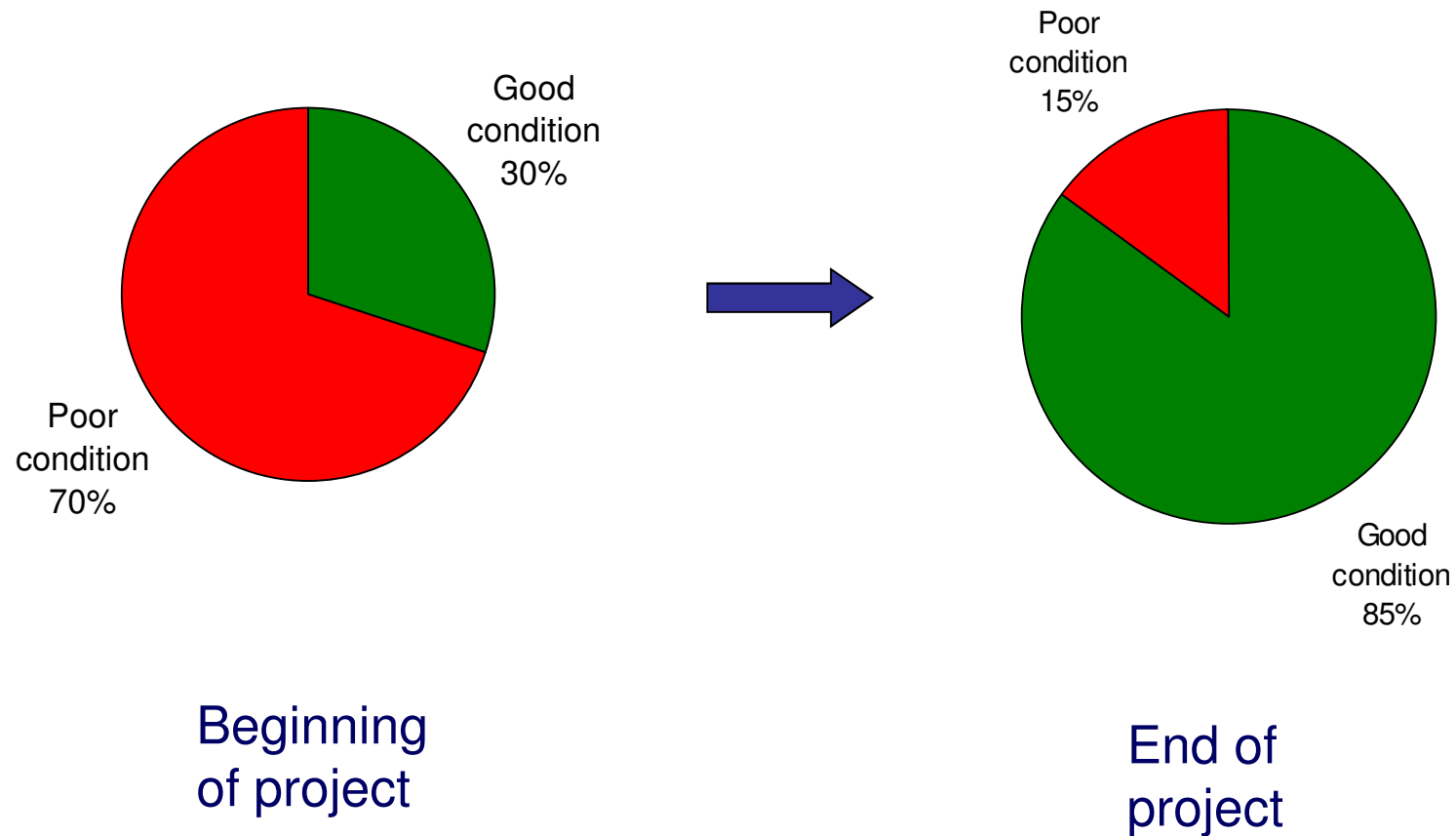
2.65 million people benefited



Rural access

- © 2,900 km **seasonal** rural roads upgraded to **all-weather roads**
- © Constructed 72 major bridges
- © Maintenance of core rural road networks
- © Technical assistance to Panchyat Raj Engineering Department (PRED).

Improvement in condition of roads



Economic

Surge in economic activity

Factor	Increased by:-
Av. household income	20%
Ownership refrigerators	200%
Ownership televisions	35%
Ownership telephones	500%
# bank account holders	5 fold
Bank deposits	2 fold
Bank loans	15 times
Av. wage rate	Rs15/day
Extra work days available/ month for labourers	2 days

Agriculture

Poverty reduction by
promoting agriculture

- ◎ Cash crops now grown in areas that were previously isolated
- ◎ Spoilage of perishable agricultural products ↓
- ◎ Av. yield/ paddy ↑
- ◎ Farmers receive 1 extra rupee/kg cereals sold because of
 - direct access to markets
 - bypass intermediaries
- ◎ Price agricultural land ↑ 30–50%

Education

- © Enrolment of girls & boys in primary + secondary schools ↑ 50%
- © Additional schools established in 50% villages
- © Schools function because teachers can travel more easily to the schools.

Health

- ③ 50% health centres have more doctors & nurses
- ③ More female patients & children using health services
- ③ Pregnant women, emergency care patients, & everyday patients: -
 - arriving sooner
 - receiving medical care faster.

Key policy & approach

- ③ Andhra Pradesh adopted a policy framework
 - defines how to prioritize investment fund maintenance
- ③ Least-cost engineering solutions optimize cost effectiveness
 - e.g., gravel roads were cost-effective solutions for low-traffic roads
- ③ Computerized system formulates annual maintenance plans for the core network

5. Next steps

- ③ The network approach was **adopted nationwide** under the Prime Minister's Rural Roads Program (PMGSY)
 - Aims to connect all towns & villages with populations of + 500 persons
- ③ Use of **gravel roads + annual maintenance plans**
 - applied in World Bank-funded rural road projects in India
- ③ Government of India requested the Bank to support **similar rural roads projects** in 10 states under the PMGSY.

India case study



Group Activity 1

Working in groups discuss: -

- A. *How do the results from the Andhra Pradesh experience compare with rural roads projects in your country - in terms of similarities and differences?*
- B. *What are the reasons for the similarities and differences?*

India case study



Group Activity 2

Working in groups discuss and create a flow diagram that shows:

the links between rural transport, economic development, and poverty alleviation.