

Andhra Pradesh Overview

THE WORLD BANK

AUGUST 2005



Andhra Pradesh (AP) is India's fifth largest state with a population of 76 million. Predominantly rural, and one of the country's poorer states, AP's per capita income was about US\$503 in 2003/04 -- near the national average of US\$511 in the same period.

As in the rest of the country, poverty in the state declined significantly during the 1990s, dropping from over 30 percent in 1990 to 21.6 percent in 2000. During this period, the state also witnessed a 39 percent increase in literacy, a rise in the school enrollment ratio of 6 to 10 year olds from 73 to 85 percent, and a 24 percent increase in the proportion of the population with access to safe drinking water.

On the economic front, growth averaged 5.3 percent annually during the first half of the 1990s, accelerating to 6.1 percent in the second half of the decade. Despite two bad monsoon years, the state's economy grew by 4.7 percent annually between 2000 and 2004. The services and manufacturing sectors witnessed significant growth with double-digit growth in the information technology sector. This strong performance has largely been due to the state's improved investment climate; by most accounts AP now has one of the best investment climates in India and is the country's top recipient of foreign direct investment.

Andhra Pradesh seems likely to achieve a large proportion of the Millennium Development Goals. Halving the number of people suffering from extreme poverty and hunger is possible by 2015 if the achievements of the 1990s are sustained, and the pace of rural poverty reduction is stepped up. While the state is also likely to achieve universal primary enrollment by 2015, meeting the targeted completion and retention rates and eliminating the gender gap will require targeted interventions. The state is also on track to reduce maternal mortality to three quarters of its 1990 level by 2015, and halve the proportion of people without access to safe drinking water. However, reducing child mortality rates to two thirds the 1990 level will be a challenge given the rate of progress.

World Bank Portfolio in Andhra Pradesh

A shared commitment to poverty reduction is the basis for the long development partnership between AP and the World Bank. With a lending portfolio (net commitment) of roughly US\$900 million, the

World Bank's program in the state is the second largest Bank program among Indian states after Uttar Pradesh.

In the last several years, the Bank has financed a variety of state specific investment projects -- including rural poverty, rural roads and state highways, health, child nutrition, forestry, irrigation, and power projects -- and two structural adjustment loans which focus on fiscal, governance and power sector issues. Two livelihood projects, the AP District Poverty Initiatives Project and AP Rural Poverty Reduction Project, are models of community driven development. In addition, various analytical studies have aimed at helping the state address complex policy issues.

Millennium Development Goals: AP's Progress and Future Challenges (In percent, unless mentioned otherwise)

MDG's and the indicators	1990 Value	2000 Value	Year 2015 target
Eradicate Extreme Poverty and Hunger			
Head Count Index (Deaton and Dreze, 2002)	30.4	21.6	15.2
Underweight children under 5 years of age	56.0	36.1	28.0
2. Achieve Universal Primary Education			
Children 5-9 attending school	58.8	89.1	100
Pupils starting Grade 1 who reach grade 7		52.6	100
Literacy Rate of 15 to 24-year olds	51.5	67.7	100
3. Promote Gender Equality and Empower Women			
Women in Wage Employment in the non-agricultural sector	11.5	26.3	**
Ratio of Literate females to males among 15- to 24-year olds	0.59	0.72	1
4. Reduce Child Mortality			
Under-five mortality rate (per 1,000 live births)	94.2	84.6	31.4
Infant Mortality Rate (per 1,000 live births)	72.8	65.1	24.3
5. Improve Maternal Health			
Maternal Mortality Ratio (per 100,000 live births)	300	130	75
Births attended by skilled health personnel	42.9	68.3	90
6. Combat HIV/AIDS, malaria and other diseases			
Contraceptive prevalence rate	41.7	62.0	**
Prevalence rates associated with Tuberculosis per 100,000	337.5	630.1	**
7. Ensure Environmental Sustainability			
Population with access to safe water	57.0	81.3	78.5
Population with access to latrine/toilet facility	22.9	27.8	**

Notes: ** indicates that the state has not set any quantitative targets. When data are not available for 1990 or 2000, they are extrapolated—assuming a constant rate of growth—from information available for the closest year.

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